ISSUE OF SHARES

The Company shall issue shares in accordance with the principles of openness, fairness, and equality, and each share of the same class shall have the same rights. The issue terms and price per share of the same class in the same issue shall be the same; the same price shall be paid for each share subscribed for by any subscriber.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

The Company may increase its capital in the following ways in light of its business and development needs and in accordance with the laws and regulations and by resolutions made at general meetings:

(i) offering of shares to unspecified targets;

(ii) offering of shares to specific targets;

(iii) distributing bonus shares to existing shareholders;

(iv) converting the reserve fund into share capital;

(v) other means as stipulated by the laws, administrative regulations, the CSRC, the securities regulatory authorities of the place(s) where the Company's shares are listed, and the stock exchange(s).

The Company may reduce its registered capital. The Company shall decrease its registered capital in accordance with the procedures set forth in the Company Law and other relevant provisions, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its shares, except in any of the following circumstances:

(i) reducing the registered capital of the Company;

(ii) merging with another company that holds the shares of the Company;

(iii) using the shares for employee stock ownership plans or as share incentives;

(iv) requesting the Company to repurchase its shares from shareholders who object to resolutions made at the general meeting concerning the merger or division of the Company;

(v) using the shares for the conversion of convertible corporate bonds issued by the Company;

(vi) it is necessary for the Company to maintain its value and shareholders' equity;

(vii) other circumstances as permitted by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the regulatory rules of the place(s) where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances described in items (iii), (v) and (vi) set out above, it shall be carried out by open and centralized trading, subject to the Hong Kong Listing Rules, and the regulatory rules and guides of the Hong Kong Stock Exchange.

Where the Company repurchases its shares under the circumstances described in items (i) and (ii) set out above, it shall be subject to a resolution of the general meeting; where the Company repurchases its shares under the circumstances described in items (iii), (v) and (vi) set out above, it can be, in accordance with the provisions of the Articles of Association or authorisation by the general meeting, resolved by a Board meeting with the attendance of more than two-thirds of the Directors.

After the Company repurchases its shares under the circumstances described in items (i) to (vi) set out above, the shares repurchased under item (i) shall be cancelled within 10 days from the date of repurchase; shares repurchased under items (ii) and (iv) set out above shall be transferred or cancelled within 6 months thereafter; and all of the shares repurchased in accordance with items (iii), (v) and (vi) set out above shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

If it is otherwise specified in laws, regulations, normative documents, and the relevant regulatory rules in the place(s) where the Company's shares are listed on the matters involving the repurchase of shares of the Company, such provisions shall prevail. After any repurchase of its shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with the laws, administrative regulations, rules, normative documents, Hong Kong Listing Rules and other relevant regulations.

Transfer of Shares

The shares of the Company shall be transferred according to law. Except for purchase and sale of shares during the trading hours on the Hong Kong Stock Exchange, all transfers of H shares shall be effected by an instrument of transfer in writing in a form acceptable to the Board of Directors (including standard transfer format or ownership transfer form prescribed by the Hong Kong Stock Exchange from time to time) and such instrument of transfer may be executed by hand only or under a valid corporate seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or its nominee(s), the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be deposited at the legal address of the Company or at such address as the Board of Directors shall from time to time designate.

The Company shall not accept its own shares as the subject of pledge.

Shares issued prior to the public offering of any shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange(s).

The Directors and senior management of the Company shall declare, to the Company, their holdings of the shares of the Company (including preferred shares, if any) and the changes thereto. The shares transferable by them during each year of their term of office shall not exceed 25% of the total shares of the same class they hold in the Company. The shares that they hold in the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date when they leave office.

Where there are other requirements on the transfer restrictions of H Shares by the securities regulatory authorities at the place(s) where the Company's shares are listed, such requirements shall prevail.

If the Company's shareholders, Directors and senior management members holding more than 5% of the shares of the Company sell the shares held by them or other securities in the nature of equity within six months after buying the same or buy such shares or securities within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Board of Directors of the Company shall recover such earnings. However, such restriction shall not apply to a securities company, Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited, which holds over 5% of the Company's shares as a result of its purchasing and underwriting of the untaken shares in an offer and other circumstances stipulated by the CSRC, securities regulatory authorities at the place(s) where the Company's shares are listed, stock exchange(s) and other relevant regulatory authorities.

The shares or other securities in the nature of equity held by any Director, senior management member or natural person shareholder referred to in the preceding paragraph include the stocks or other securities in the nature of equity held by their spouses, parents and children, and held in any other person's account.

If the Board of the Company fails to comply with the preceding paragraph, a shareholder shall have the right to request the Board to do so within 30 days. If the Board fails to comply with the same within the aforesaid period, such shareholder shall have the right to initiate legal proceedings directly with the People's Court in its own name for the benefit of the Company.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company establishes a register of shareholders based on the certificates provided by the securities registration and clearing institution at the place(s) where the Company's shares are listed, and the register of shareholders is sufficient evidence proving shareholders' holding of the Company's shares. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Shareholders of the Company shall be entitled to the following rights:

(i) to receive dividends and other forms of benefit distribution in proportion to the number of shares they hold;

(ii) to lawfully request, convene, preside over, attend or appoint a proxy to attend the general meeting and exercise corresponding voting rights;

(iii) to supervise the operation of the Company and make suggestions and inquiries;

(iv) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association;

(v) to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, financial and accounting reports; and (for shareholders who meet the relevant requirements) to inspect the Company's accounting books and vouchers, but where there are other provisions stipulated by the securities regulatory rules of the place(s) where the shares of the company are listed, such provisions shall prevail;

(vi) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of Shares they hold;

(vii) to require the Company to repurchase their shares by shareholders who disagree with the resolutions for the merger and division of the Company made at the general meetings;

(viii) other rights provided by laws, administrative regulations, departmental rules or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(i) to comply with laws, administrative regulations and the Articles of Association;

(ii) to pay subscription monies according to the shares subscribed and the method of subscription;

(iii) not to withdraw their share capital unless required by laws and regulations;

(iv) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

(v) other obligations imposed by laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights, causing losses to the Company or other shareholders, such shareholder shall be liable for compensation according to law. Where any shareholder of the Company abuses the Company's status as an independent legal person and the limited liability of shareholders for the purpose of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

General Provisions of the General Meeting

The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

(i) to elect and replace Directors and to determine matters relating to the remuneration of the Directors;

(ii) to consider and approve reports of the Board;

(iii) to consider and approve the Company's profit distribution plans and plans for making up losses;

(iv) to resolve on increases or reductions in the Company's registered capital;

(v) to resolve on issuance of corporate bonds of the Company;

(vi) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form;

(vii) to amend the Articles of Association;

(viii) to resolve on the engagement or dismissal of the accounting firm that undertakes the audit of the Company, and its remuneration;

(ix) to consider and approve the guarantees as stipulated in Article 47 of the Articles of Association;

(x) to consider matters relating to the acquisition or disposal of material assets by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;

(xi) to consider and approve matters relating to the changes in the use of proceeds;

(xii) to consider share incentive plans and employee stock ownership plans;

(xiii) to consider and approve material transactions and related (connected) transactions that shall be considered and approved by the general meeting in accordance with the laws, administrative regulations, regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association;

(xiv) to consider other matters to be resolved by the general meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

The following acts of external guarantees of the Company shall be considered and passed by the general meeting:

(i) Any subsequent guarantee to be provided after the total amount of external guarantees provided by the Company or its controlled subsidiary has exceeded 50% of the Company's latest audited net assets;

(ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's latest audited net assets;

(iii) Any guarantee to be provided by the Company to others, where the amount of guarantees within one year exceeds 30% of the Company's latest audited net assets;

(iv) Any guarantee to be provided to any party with a gearing ratio in excess of 70%;

(v) A single guarantee whose amount exceeds 10% of the latest audited net assets;

(vi) Any guarantee to be provided to shareholders, de facto controllers and their related parties;

(vii) Other guarantees to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

When a proposal on providing any guarantee for any shareholder, actual controller and its connected party (as defined in the Hong Kong Listing Rules) is being reviewed at the general meeting, the said shareholder or the shareholder controlled by the said actual controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of other shareholders attending the general meeting.

The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months from the end of the previous accounting year.

The Company shall convene an extraordinary general meeting within two months upon the actual occurrence of any of the following circumstances:

(i) the number of Directors is less than the number specified in the Company Law or two-thirds of the number specified in the Articles of Association;

(ii) the losses of the Company that have not been made up reach one-third of its total share capital;

(iii) when any shareholder(s) individually or jointly holding over 10% of the Company's shares so request;

(iv) whenever the Board of Directors considers necessary;

(v) whenever the Audit Committee proposes to convene;

(vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Convening of the General Meeting

With the approval of a majority of all independent Directors, the independent Directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Where an independent Director proposes that an extraordinary general meeting be held, the Board of Directors shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original proposal made in the notice shall be approved by the Audit Committee. If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Any shareholder(s) individually or jointly holding over 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the request. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders. If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply

within 10 days upon receipt of such request, the shareholder(s) individually or jointly holding over 10% of the shares of the Company shall have the right to request the Audit Committee to convene an extraordinary general meeting, and such request shall be made in writing. If the Audit Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting, and the shareholder(s) individually or jointly holding over 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its/their own.

Proposals and Notices of the General Meeting

When the Company holds a general meeting, the Board of Directors, the Audit Committee and the shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to make proposals to the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may put forward interim proposals and submit such proposals in writing to the convener ten days before the general meeting is held. The convener shall issue a supplemental notice of the general meeting within 2 days upon the receipt of such proposals, announce the content of the interim proposals and submit the same to the general meeting for consideration, provided that such proposals shall not violate laws, administrative regulations or the Articles of Association, and shall fall within the scope of authority of the general meeting. If, according to the securities regulatory rules of the place(s) where the Company's shares are listed, the general meeting must be postponed due to the issuance of a supplementary notice of such meeting, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place(s) where the Company's shares are listed.

Except for the circumstances set out above, the convener shall not modify the proposals listed or add any new proposal in the notice of the general meeting after sending it out. Proposals not set out in the notice of the general meeting or not in compliance with the Articles of Association shall not be voted on or resolved on at the general meeting.

The convener shall inform each shareholder of the annual general meeting by an announcement 21 days before convening such meeting and shall inform each shareholder of the extraordinary general meeting by an announcement 15 days before convening such meeting. When calculating the starting date, the convening date of the meeting shall be excluded.

The notice of a general meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) the matters and proposals to be considered at the meeting;

(iii) a prominent written statement that all shareholders of ordinary shares have the right to attend the general meeting, and may appoint a proxy in writing, who need not be a shareholder, to attend and vote on his/her behalf;

(iv) the shareholding registration date for shareholders entitled to attend the general meeting;

(v) the name and telephone number of permanent contact persons for the affairs of the meeting;

(vi) the specific methods of attending the meeting, and voting time and procedure via the Internet or through other means;

(vii) other requirements stipulated by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in such notice shall not be withdrawn. In case of postponement or cancellation, the convener shall make an announcement and give reasons at least 2 working days prior to the date on which the meeting is originally scheduled. Where the securities regulatory rules of the place(s) where the shares of the Company are listed provide otherwise in respect of the procedures for postponement or cancellation of a general meeting, such provisions shall apply to the extent that they do not contravene Chinese regulatory requirements.

Holding of the General Meeting

When a general meeting is held, all shareholders of ordinary shares registered on the register of shareholders on the shareholding registration date or their proxies shall be entitled to attend the general meeting, speak at the general meeting (whether it is held on-site or online or in other forms) and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association, unless individual shareholders are required to abstain from voting on individual matters under the securities regulatory rules of the place(s) where the shares of the Company are listed. Any shareholder may attend the general meeting in person or authorize a proxy to attend and vote at the general meeting on his/her/its behalf.

The general meeting shall be presided over by the chairman of the Board. Where the chairman of the Board of Directors is unable or fails to fulfill the duties thereof, a Director jointly elected by more than half of the Directors shall preside over the meeting. A general meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee cannot or fails to perform his/her duty, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee. A general meeting convened by the shareholders themselves shall be chaired by the convener or a representative elected by the shareholders.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure making the meeting impossible to proceed, a person may be elected at the general meeting to act as the chairman and preside over the meeting so as to carry on with the general meeting, subject to the approval of more than half of the attending shareholders with voting rights.

Voting of the General Meeting

The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions. Ordinary resolutions at a general meeting shall be passed by more than half of the voting shares held by shareholders (including their proxies) attending the meeting. A special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

The following matters shall be resolved by an ordinary resolution at a general meeting:

(i) work reports of the Board of Directors;

(ii) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(iii) removal and appointment of members of the Board of Directors, and their remuneration and the payment method of their remuneration;

(iv) matters other than those required to be approved by special resolutions under laws, administrative regulations, the securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

The following matters shall be resolved by a special resolution at a general meeting:

(i) any increase or reduction in the Company's registered capital;

(ii) division, spin-off, merger, dissolution or liquidation of the Company;

(iii) any amendment to the Articles of Association;

(iv) the acquisition or disposal of material assets or provision of guarantees for others by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(v) share incentive plans;

(vi) any other matter specified in the laws, administrative regulations, departmental rules, securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association, and confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

Shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a general meeting.

When matters relating to related (connected) transactions are considered at a general meeting, the related (connected) shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes; the announcement of any resolution made at the general meeting should fully disclose the voting information of the non-related (connected) shareholders.

In the Articles of Association, the meaning of "related transaction(s)" includes "connected transaction(s)" as defined in the Hong Kong Listing Rules, "related party(ies)" includes "connected person(s)" as defined in the Hong Kong Listing Rules, and "related relationship(s)" includes "connected relationship(s)" as defined in the Hong Kong Listing Rules.

Where any shareholder is, under the applicable laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of shares carrying voting rights.

If a shareholder's purchase of the Company's voting shares violates the provisions of (1) and (2) of Article 63 of the Securities Law, the portion of the shares over the prescribed ratio shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted towards the total number of voting shares held by shareholders present at the general meeting.

The Board of Directors, independent Directors and shareholders holding more than 1% of the voting shares or investor protection institutions established in accordance with the laws, administrative regulations or the securities regulatory authorities at the place(s) where the

Company's shares are listed may solicit voting rights from shareholders. When soliciting voting rights from shareholders, specific voting intentions and other information must be fully disclosed to the persons being solicited. It is prohibited to solicit voting rights from shareholders in a paid or disguised pay way. Except for statutory conditions, the Company may not impose any minimum shareholding ratio restrictions on the solicitation of voting rights.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting, and any Director (including any executive Director) may be dismissed by an ordinary resolution at the general meeting prior to the expiry of the term of his or her office. However, such dismissal shall not prejudice the Director's claim for damages under any contract. A Director shall serve a term of 3 years and shall be eligible for re-election upon the expiration of the term.

The term of a Director shall start from the date on which the said Director assumes office until the expiry of the term of the prevailing session of the Board. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association before the newly elected Director takes office. Subject to the relevant applicable laws, regulations and regulatory rules, any person appointed by the Board of Directors to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for reelection.

Any person appointed by the Board of Directors to fill a casual vacancy on the Board of Directors or as an addition to the Board of Directors shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for reelection.

A Director may serve concurrently as a member of the senior management, but the Directors serving concurrently as such and the Directors being employee representatives shall not be more than half of all Directors of the Company.

A Director may resign before the expiration of his or her term of office. A director who intends to resign shall submit a written resignation report to the Company. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose relevant information within two trading days. Where the number of members of the Board of Directors is lower than the minimum quorum due to the resignation of any Director, or where the resignation of an independent Director results in the failure of the ratio of independent Directors in the Board of Directors or its special committees to comply with the provisions of laws, regulations, or the Articles of Association, or results in a lack of any accounting professional among the independent Directors, the said Director shall continue to perform the Director's duties in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules in the place(s) where the Company's shares are listed, and the Articles of Association.

Board of Directors

The Company shall establish a Board of Directors. The Board of Directors shall comprise 9 Directors, including executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall not be less than 3 and represent at least one-third of members of the Board of Directors.

The Board of Directors has one chairman, who shall be elected by the Board of Directors through a majority of all Directors.

The Board of Directors shall exercise the following functions and powers:

(i) to convene the general meeting and report to the general meeting;

(ii) to implement the resolutions passed at the general meeting;

(iii) to determine the business plans and investment plans of the Company;

(iv) to prepare the plans for profit distribution and plans for making up losses of the Company;

(v) to formulate plans in respect of any increase or reduction of the registered capital, the issuance of bonds or other securities, and the listing of the Company;

(vi) to formulate plans for material acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of the corporate form of the Company;

(vii) to determine, within the authority granted by the general meeting or pursuant to the listing rules of the exchange(s) where the Company's shares are listed, matters such as external investments, the acquisition and disposal of assets, asset mortgages, external guarantees, consigned financial management, related (connected) transactions, external donations and gifts;

(viii) to determine the establishment of the internal management structure of the Company;

(ix) to determine the appointment or dismissal of the manager, the secretary to the Board of Directors and other senior management members of the Company, and determine their remunerations, rewards and punishments; and according to the nomination by the manager, to determine the appointment or dismissal of other senior management members, such as deputy managers and the person-in-charge of finance of the Company, and determine their remunerations, rewards and punishments;

(x) to formulate the Company's basic management system;

(xi) to draw up proposals for any amendment to the Articles of Association;

(xii) to manage the matters of information disclosure of the Company;

(xiii) to propose at the general meeting the appointment or change of any accounting firm which provides auditing services for the Company;

(xiv) to receive work reports of the manager and review his/her work;

(xv) to consider and handle the transfer of the Company's domestic unlisted share held by shareholders to overseas investors, or the approval for the conversion of the Company's domestic unlisted shares held by shareholders into overseas listed shares which can be listed on an overseas stock exchange;

(xvi) to exercise other functions and powers conferred by laws, administrative regulations, department rules, securities regulatory rules of the place(s) where the Company's shares are listed, the Articles of Association, or the general meeting.

Matters beyond the authorization of the general meeting shall be submitted to the general meeting for consideration.

The Board of Directors shall hold at least four meetings every year (approximately one meeting every quarter) and such meetings shall be convened by the chairman of the Board. All Directors shall be informed in writing 14 days before the meeting. Shareholders representing more than 10% of the voting rights, more than one third of the Directors or the Audit Committee may propose to convene an extraordinary Board meeting. A Board meeting shall be convened and presided over by the chairman within 10 days upon receipt of the proposal.

No Board meeting shall be held unless attended by a majority of Directors. Any resolution passed by the Board of Directors shall require affirmative votes by a majority of Directors, unless otherwise provided by laws, regulations and the Articles of Association.

Where a Director has a related relationship with any enterprise or person involved in a matter to be resolved at a Board meeting, such Director shall promptly report in writing to the Board of Directors, and he/she shall not exercise his/her voting rights for such resolution, nor exercise voting rights on behalf of other Director(s). The Board meeting shall not be held unless attended by a majority of Directors without any related relationship, and any resolution made at the Board meeting must be passed by a majority of Directors without any such related relationship. Where the number of Directors without any related relationship attending the meeting is less than three, the matter shall be submitted to the general meeting for consideration. Where there are any additional restrictions on Directors' participation in Board meetings and voting as stipulated by the laws, regulations and the securities regulatory rules of the place(s) where the Company's shares are listed, such provisions shall prevail.

Directors shall attend the Board meeting in person. Where any Director cannot attend the meeting for any reason, he/she may authorize in writing another Director to attend the meeting on his/her behalf, with the power of attorney shall state the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal. The Director attending the meetings on behalf of another Director shall exercise rights within the scope of authorization. Where a Director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said Director is deemed to have waived his/her rights to vote at the meeting.

Special Committees under the Board

The Company's Board of Directors shall establish an audit committee, which shall exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law.

The Board of Directors shall establish an audit committee, a nomination committee, a remuneration and appraisal committee and other special committees. These committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The working regulations of the special committees shall be formulated by the Board.

Members of the Senior Management

The senior management members referred to in the Articles of Association include the manager, deputy managers, person-in-charge of finance, secretary to the Board of Directors and other senior management members recognized by the Board.

The Company shall have one manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have deputy managers, who shall be appointed or dismissed by the Board of Directors. The Company shall have one secretary to the Board of Directors, who shall be responsible for the preparation for the general meetings and Board meetings, the maintenance of documents, the management of our shareholders' information, the handling of information disclosure matters, and other matters.

The manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(i) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;

(ii) to organize and implement the Company's annual business plans and investment plans;

(iii) to formulate the Company's plans for the establishment of its internal management structure;

(iv) to formulate the Company's basic management system;

(v) to formulate specific regulations of the Company;

(vi) to propose to the Board of Directors the appointment or dismissal of the Company's deputy managers and the person-in-charge of finance;

(vii) to appoint or dismiss the management officers other than those required to be appointed or dismissed by the Board of Directors;

(viii) to exercise other functions and powers as conferred by the Articles of Association or the Board. The manager shall attend the meetings of the Board of Directors.

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member of the Company causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing his/her duties or violation of his/her fiduciary duties, the said senior management member shall be liable to compensate the Company.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant PRC authorities. Annual reports and interim reports shall be prepared, published and distributed in accordance with relevant laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the securities regulatory rules of the place(s) where the Company's shares are listed.

The Company shall not set up other account books except for the statutory account books. The Company's funds shall not be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing the current year's profits after tax, 10% of the profits shall be allocated to the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund is more than 50% of the Company's registered capital, further appropriations are not required.

If the statutory reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to make up such losses before allocating to the statutory reserve fund in accordance with the aforesaid provisions.

After the allocation of its profits after tax to its statutory reserve fund, the Company may allocate its profits after tax to its discretionary reserve fund upon a resolution of the general meeting.

The remaining profits after tax after the Company has made up its losses and allocated to its reserve fund may be distributed to its shareholders in proportion to their shareholdings unless it is stipulated in the Articles of Association that no profit distribution shall be made in accordance with shareholdings.

The shares of the Company held by the Company shall not participate in the distribution of profits.

The Company's reserve fund shall be used to make up the losses of the Company or expand the production operations, or be converted to increase the registered capital of the Company. The discretionary reserve fund and statutory reserve fund shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with regulations.

When the statutory reserve fund is converted into registered capital, the remainder of the reserve fund shall not be less than 25% of the Company's registered capital prior to such conversion.

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work.

The internal audit agency shall be accountable to the Board. During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit agency shall be subject to the supervision and guidance of the Audit Committee. If the internal audit agency discovers any significant issues or clues, it shall report directly to the Audit Committee forthwith.

Engagement of an Accounting Firm

The Company shall engage an accounting firm that complies with Chinese laws and regulations, the Hong Kong Listing Rules and the securities regulatory rules of the place(s) where the Company's shares are listed to perform services such as auditing of accounting statements, verification of net assets, and other related consulting services for a period of one year, which may be renewed.

The engagement or dismissal of an accounting firm shall be resolved by the general meeting. The Board of Directors shall not engage an accounting firm before the decision is made at the general meeting.

The Company guarantees to provide the hired accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not reject, conceal or make false reports of any information.

The audit fee of an accounting firm shall be decided at the general meeting.

When the Company dismisses or no longer renews the appointment of an accounting firm, the accounting firm shall be notified 10 days in advance. When the dismissal of an accounting firm is voted on at the general meeting, the accounting firm is allowed to state its opinions.

If an accounting firm resigns, it shall explain to the general meeting whether there is any impropriety on the part of the Company.

MERGER, DIVISION, CAPITAL INCREASE AND DECREASE, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Decrease

The merger of the Company may take the form of either a merger by absorption or a merger by incorporation. In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors may require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

In the event of a merger, creditors' rights or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company.

In the event of a division of the Company, its properties shall be divided up accordingly. In the event of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

For the debts of the Company prior to the division, the companies after the division shall bear joint and several liabilities, unless otherwise specified in the written agreement on debt repayment entered into between the Company and its creditors before the division.

The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within 10 days from the date of the Company's resolution on the reduction of its registered capital and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors have the right to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) the expiration of the business period as stipulated in the Articles of Association or the occurrence of other grounds for dissolution as stipulated in the Articles of Association;

(ii) dissolution resolved by the general meeting;

(iii) requiring dissolution due to the merger or division of the Company;

(iv) the business license being revoked, or being ordered to close or revoked in accordance with the law;

(v) serious difficulties in its business operation management and serious damages to the interests of its shareholders for its continued existence which cannot be resolved through any other means, shareholders who hold over 10% of the voting rights of the Company may apply to the People's Court to dissolve the Company.

Where the Company falls under any of the circumstances specified in above-mentioned items (i) and (ii) and has not distributed any property to its shareholders, the Company may continue to exist by amending the Articles of Association or by resolutions of the general meeting. Amendments to the Articles of Association or resolutions made at the general meeting pursuant to the aforesaid provisions shall be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Where the Company is dissolved pursuant to above-mentioned items (i), (ii), (iv) and (v), a liquidation shall be conducted. In the event that Directors are the liquidation obligors of the Company, a liquidation committee for liquidation shall be established within 15 days after the dissolution grounds arise.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment, and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 60 days from the date of its establishment. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of the announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

The liquidation committee shall, after checking the Company's property and preparing a balance sheet and an inventory of assets, formulate a liquidation plan and present it to the general meeting or the People's Court for confirmation. After paying the liquidation expenses, employees' salaries, social insurance fees and statutory compensation, outstanding taxes and debts of the Company, the remaining property of the Company will be distributed in proportion to the number of shares held by shareholders.

During the liquidation period, the Company continues to exist, but may not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of payments as prescribed in the above-mentioned provisions, the Company's property will not be distributed to shareholders.

If the liquidation committee, having checked the Company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay off its debts, it shall apply to the People's Court for insolvency liquidation.

Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report, submit the report to the general meeting or the People's Court for confirmation, and submit the report to the company registration authority and apply for deregistration of the Company.

The Company declared insolvency according to law shall have insolvency liquidation carried out according to relevant enterprise insolvency laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

(i) Upon revision of the Company Law or the relevant laws, administrative regulations, the Hong Kong Listing Rules or the securities regulatory rules of the place(s) where the Company's shares are listed, the provisions of the Articles of Association conflict with the revised laws, administrative regulations, the Hong Kong Listing Rules or the securities regulatory rules of the place(s) where the Company's shares are listed;

(ii) Changes in the state of the Company are inconsistent with the matters stipulated in the Articles of Association;

(iii) The general meeting has decided to amend the Articles of Association.

Amendments to the Articles of Association passed by resolutions at the general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Where any amendment involves the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the law.

Any amendment to the Articles of Association which involves information to be disclosed as required by the laws or regulations, shall be announced as required.