
APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

I. SHARES**(I) Issuance of Shares**

The shares of the Company shall be in registered form.

The issue of the shares of the Company shall be based on the principles of openness, fairness, and impartiality, and shall rank *pari passu* in all respects with the shares of the same class.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by subscribers.

(II) Increase, Reduction and Repurchase of Shares

In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of the general meeting, increase its capital by the following ways:

- (i) issuing shares to unspecified parties;
- (ii) issuing shares to specific parties;
- (iii) distributing bonus shares to existing shareholders;
- (iv) conversion of its capital reserve to share capital;
- (v) other ways required by laws, administrative regulations, and the CSRC.

The Company may reduce its registered capital. Where the Company reduces its registered capital, the shares shall be reduced in proportion to the shares held by shareholders, unless all shareholders unanimously agree not to reduce the registered capital in accordance with the proportion of shares held by the shareholders.

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

- (i) to reduce the registered capital of the Company;
- (ii) to merge with another company that holds the shares of the Company;
- (iii) to use the shares for Employee Stock Ownership Plan or as equity incentive;
- (iv) shareholders who object to a merger or separation resolution made at the general meeting requesting the Company to acquire their shares;
- (v) to utilize shares to satisfy the conversion of corporate bonds that are convertible into shares issued by the Company;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (vi) when it is necessary for the Company to protect the company value and the shareholders’ equity.

The Company may acquire its shares in any of the following ways:

- (i) offering to buy back shares from all shareholders on a pro rata basis;
- (ii) buying back through open transaction;
- (iii) other circumstances required by laws and administrative regulations.

Where the Company acquires its shares under the circumstances set out in item (I) or (II) of Article 21 hereof, it shall be resolved at the general meeting. Where the Company acquires its shares under the circumstances set out in item (III), (V) or (VI) of Article 21 hereof, it shall be resolved at a Board meeting attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or upon authorization by the general meeting.

After the Company acquires its shares under the circumstances set out in Article 21, in the case of item (I), the shares shall be canceled within ten days from the date of acquisition; in the case of items (II) and (IV), the shares shall be transferred or canceled within six months; in the case of items (III), (V), and (VI), the shares held in the aggregate by the Company shall not exceed 10% of the total issued shares of the Company, and the shares shall be transferred or canceled within three years.

(III) Transfer of shares

Shares issued by the Company prior to its public offering shall not be transferable within one year from the date on which the shares are listed and traded in a stock exchange.

The Directors, supervisors and senior management of the Company shall declare the number of shares held by them and the relevant changes to the Company. The number of shares transferred each year during their term of office as determined at the time of their taking office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferable within one year from the date of listing and trading of the shares. The shares of the Company held by them shall not be transferable within six months after their resignation.

For the Company’s Directors, supervisors, senior management and shareholders holding more than 5% of the Company’s shares, if they have sold the shares of the Company or other securities with an equity nature held by them within six months after purchasing, or if they have purchased such shares or securities again within six months after selling them, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board of the Company. However, securities

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

companies holding more than 5% of the shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by the CSRC are excluded.

II. SHAREHOLDERS AND GENERAL MEETINGS**(I) General Rules of Shareholders**

The Company shall maintain a register of shareholders. The register of shareholders shall be the sufficient evidence proving the shareholders’ holding of the Company’s shares. The shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. The shareholders holding the same class of shares shall enjoy the equal rights and assume the equal obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of distribution of interests in proportion to their respective shareholdings;
- (ii) to request the convening, organizing, presiding over, attending or appointing a proxy to attend the general meeting and exercise the corresponding voting rights in accordance with the law;
- (iii) to supervise, and make recommendations or inquiries on the operation of the Company;
- (iv) to transfer, bestow or pledge the shares they hold according to the 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 the Board meetings and meetings of the Supervisory Committee, and financial and accounting reports, and to make recommendations or inquiries on the operation of the Company. Shareholders who meet the requirements may inspect the accounting books and accounting vouchers of the Company;
- (vi) to participate in the distribution of the Company’s remaining assets in proportion to their shareholdings upon the termination or liquidation of the Company;
- (vii) to require the Company to acquire its shares by the shareholders who object to a resolution of a general meeting on the merger or division of the Company at a reasonable price;
- (viii) other rights as provided by laws, administrative regulations, departmental rules, or the Articles of Association.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

The shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the general meeting or Board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association. However, except that there are only minor defects in the convening procedures or voting method of a general meeting or a Board meeting, which do not materially affect the resolution.

Shareholders of the Company shall assume the following obligations:

- (i) complying with the laws, administrative regulations and the Articles of Association;
- (ii) paying the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (iii) no return share capital except for the circumstances set out in the laws and regulations;
- (iv) no abuse of shareholder's rights to damage the interests of the Company or other shareholders; no abuse of the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (v) other obligations that should be assumed under laws, administrative regulations and the Articles of Association.

If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts of the Company.

(II) General Rules of General Meetings

The general meeting is the source of authority of the Company and shall exercise the following functions and power in accordance to the laws:

- (i) to elect and replace Directors and supervisors, and to decide on matters relating to their remunerations;
- (ii) to consider and approve the reports of the Board;
- (iii) to consider and approve the reports of the Supervisory Committee;
- (iv) to consider and approve the profit distribution plan and loss recovery plan of the Company;

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

- (v) to make a resolution on the increase or reduction of the Company's registered capital;
- (vi) to make a resolution on the issuance of bonds of the Company, or to authorize the Board to make a resolution on the issuance of bonds of the Company;
- (vii) to make a resolution on matters such as the merger, division, dissolution, liquidation, or change of company form of the Company;
- (viii) to amend the Articles of Association;
- (ix) to make a resolution on the appointment or dismissal of engagement of the accounting firm undertaking the Company's auditing business by the Company;
- (x) to consider and approve the guarantee matters set out in Article 43 hereof;
- (xi) to consider the purchase or disposal of material assets by the Company within one year exceeding 30% of the Company's latest audited total assets;
- (xii) to consider and approve the change of use of proceeds;
- (xiii) to consider equity incentive plans and Employee Stock Ownership Plan;
- (xiv) to consider other matters that should be resolved on by the general meeting according to laws, administrative regulations, departmental rules or the Articles of Association.

The following external guarantees and related transactions made by the Company shall be considered and approved by the Board before being submitted to the general meeting for approval:

- (i) any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (ii) any guarantee provided after the total amount of the external guarantees provided by the Company and its controlled subsidiaries exceed 50% of the audited net assets for the latest period;
- (iii) any guarantee provided after the total external guarantees of the Company exceed 30% of the total audited assets for the latest period;
- (iv) the guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;
- (v) a guarantee amount exceeding 30% of the total audited assets for the latest period of the Company within one year;

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

- (vi) a guarantee amount exceeding 50% of the total audited assets for the latest period and the absolute amount exceeding RMB50 million of the Company within one year;
- (vii) any guarantee provided to the shareholder, actual controller and its related party;
- (viii) any related transaction between the Company and a related natural person involving an amount exceeding RMB3 million;
- (ix) any related transaction between the Company and an related legal person, where the transaction amount involved exceeds RMB30 million and represents more than 5% of the absolute value of the Company’s the audited net assets for the latest period;
- (x) other guarantees and related transactions as stipulated in the Articles of Association.

When the Board considers the above guarantee matters, such matters must be considered and approved by more than two-thirds of the Directors attending the Board meeting. When the general meeting considers the guarantee matters under item (V) of the preceding paragraph, such matters must be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.

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

In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

- (i) when the number of Directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;
- (ii) the uncovered loss of the Company reaches one-third of the total share capital;
- (iii) upon request(s) by shareholder(s) individually or collectively holding more than 10% of the Company’s shares;
- (iv) when the Board considers it necessary;
- (v) when the Supervisory Committee proposes such a meeting be held;
- (vi) other circumstances specified by laws, administrative regulations, departmental rules or the Articles of Association.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

(III) Convening of General Meetings

The independent Directors have the right to propose to the Board to convene an extraordinary general meeting with the approval of a majority of all independent Directors. For the proposal of independent Directors of convening an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or disagree with convening the meeting within ten days upon receipt of the proposal. When the Board agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Otherwise, the reasons shall be stated.

The Supervisory Committee shall propose to the Board to convene an extraordinary general meeting, and shall make such proposal in writing. The Board shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or disagree with convening the meeting within ten days upon receipt of the proposal. If the Board agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes to the original proposal in the notice shall be subject to the approval of the Supervisory Committee. If the Board does not agree to convene an extraordinary general meeting, or fails to provide a written feedback within ten days upon receipt of the proposal, the Board shall be considered to be unable or fail to perform the duty of convening a general meeting. The Supervisory Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary general meeting which shall be submitted in writing to the Board. The Board shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback on making a resolution on whether to convene extraordinary general meeting within ten days upon receipt of the request. If the Board agrees to convene the extraordinary general meeting, the Board shall serve a notice of such meeting within five days after the Board resolution is made. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained. If the Board disagrees to convene an extraordinary general meeting or fails to give a reply within ten days upon receipt of the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting and shall submit their request in writing. The Supervisory Committee shall provide a written feedback on making a revolution on whether to convene extraordinary general meeting within ten days upon receipt of the request. If the Supervisory Committee agrees to convene an extraordinary general meeting, the Supervisory Committee shall, within five days upon receipt of the request, issue a notice calling for the meeting. Changes to the original proposal in the notice shall be subject to the approval of relevant shareholders. If the Supervisory Committee fails to give the notice of the General Meeting within the specified time limit, it shall be

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

deemed that the Supervisory Committee shall not convene and preside over the general meeting, in which case, the shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.

When the Supervisory Committee or the shareholders decide to convene a general meeting by themselves, they shall notify the Board in writing. Before a general meeting resolution is made, the shareholding percentage of the convening shareholders shall be not less than 10%. The Board and the secretary of the Board shall align with the general meeting convened by the Supervisory Committee or the shareholders on their own. The Board shall provide the register of shareholders after the close of business on the record date.

(IV) Proposals and Notices of General Meetings

Where the Company convenes a general meeting, the Board, the Supervisory Committee, and the shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to make proposals to the Company.

The shareholders who individually or collectively hold more than 1% of the Company's shares may raise a temporary proposal and submit it to the Board in writing ten days before the general meeting is held. The Board shall, within 2 days after the receipt of the proposal, notify other shareholders and submit the temporary proposal to the general meeting for approval. However, unless the temporary proposal is in violation of the laws, administrative regulations or the Articles of Association or does not fall within the scope of the general meeting's terms of reference.

The convener will notify each shareholder of an annual general meeting in writing or by other ways of communication 20 days prior to the convening thereof, and notify each shareholder of an extraordinary general meeting in writing or by other ways of communication 15 days prior to the convening thereof. Regarding the calculation of the notice period, the date of the meeting shall not be included.

The notice of the general meeting shall include the following particulars:

- (i) the date, place and duration of the meeting;
- (ii) the matters and proposals to be considered at the meeting;
- (iii) in clear statement that all shareholders are entitled to attend the general meeting and they may appoint a proxy in writing to attend and vote at such meeting on their behalf and that such proxies need not be shareholders of the Company;
- (iv) the date of record for the shareholders who are entitled to attend the general meeting;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (v) the name and telephone number of the regular contact person for the meeting.

The notice and supplementary notice of general meeting shall fully and completely disclose the details of all proposals.

(V) Convening of General Meetings

All shareholders recorded in the register as at the record date or their proxies shall have the right to attend the general meeting and exercise the voting right in accordance with the relevant laws, regulations and the Articles of Association.

A shareholder may either attend the general meeting in person or appoint a proxy or proxies to attend and vote at such meeting on his/her behalf. An individual shareholder that attends the meeting in person shall produce his or her own ID card or other valid documents or proof evidencing his or her identity. If he or she appoints a proxy to attend the meeting on his or her behalf, the proxy shall produce his or her own valid proof of identity and the instrument of appointment from the shareholder. Shareholders who are legal persons shall attend a meeting by their legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own ID card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own ID card and the power of attorney in writing issued by the legal representative of the corporate shareholder as a legal person in accordance with the laws.

The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall clearly specify the matters, authority, and duration of the proxy's representation, including but not limited to contain the following information:

- (i) the proxy's name;
- (ii) whether the proxy has the voting right;
- (iii) instructions to vote in favor of, against or abstain from voting on each resolution contained in the agenda of general meeting respectively;
- (iv) the date of issuance and effective period of the power of attorney;
- (v) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the power of attorney shall be stamped with the seal of the legal person entity.

Where the general meeting requires directors, supervisors and senior management personnel to attend the meeting, the directors, supervisors and senior management personnel shall attend and accept the shareholders' questions.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

The general meeting shall be presided over by the chairperson of the Board. when the chairperson of the Board is unable or fails to perform his/her duty, a director jointly elected by a simple majority of the directors shall preside over the meeting. At a general meeting convened by the Supervisory Committee, the chairperson of Supervisory Committee shall preside over the meeting. When the chairperson of the Supervisory Committee is unable or fails to perform his/her duty, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting. If a general meeting is convened by shareholders, the convener shall elect a representative to preside over the meeting. When a general meeting is held, if the chairperson of the meeting violates the rules of procedure, making continuance of the meeting impossible, with the consent of the shareholders holding more than half of the voting rights present at the meeting, the meeting may elect a person to serve as the chairperson of the meeting and the meeting shall continue.

(VI) Voting and Resolutions at a General Meeting

Resolutions at the general meeting shall be divided into ordinary resolutions and special resolutions. Ordinary resolutions of the general meeting shall be passed by over one-half of the voting rights represented by shareholders' (including proxies) present at the meeting. Special resolutions of the general meeting shall be passed by over two thirds of the voting rights represented by shareholders (including proxies) present at the meeting.

The following matters shall be adopted by an ordinary resolution of the general meeting:

- (i) work reports of the Board and the Supervisory Committee;
- (ii) projects in relation to profit distribution and loss recovery prepared by the Board;
- (iii) the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and payment method thereof;
- (iv) proposed annual preliminary financial budgets, final account proposals of the Company;
- (v) the annual report of the Company;
- (vi) matters other than those requiring the approval by way of special resolutions in accordance with the provisions of the laws, administrative regulations or the Articles of Association.

The following matters shall be adopted by a special resolution of the general meeting:

- (i) increase or reduction in the registered capital of the Company;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (ii) the division, merger, dissolution and liquidation of the Company;
- (iii) amendments to these Articles of Association;
- (iv) purchase or sale of material assets or guarantees by the Company in excess of thirty per cent of the Company's latest total audited assets within a period of twelve consecutive months;
- (v) share incentive schemes;
- (vi) other matters prescribed by the laws, administrative regulations or these Articles of Association, and those matters determined by a general meeting via ordinary resolution as having a material impact on the Company and are required to be adopted by a special resolution.

Shareholders (including proxies) shall exercise their voting rights in line with the amount of the shares with voting rights they represent, each share shall carry one vote. The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at general meetings. The Board, independent directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When matters in relation to connected transactions are considered at a general meeting, shareholders with connected relationship shall not participate in the voting and the number of shares with voting rights represented by them shall not be counted towards the total number of valid votes; the resolutions of the general meetings shall adequately disclose the votes of non-connected shareholders.

III. THE BOARD

(I) General Provisions for Directors

The directors of the Company shall be natural persons. A person who falls into any of the following circumstances shall not serve as a director of the Company:

- (i) a person without capacity for civil conduct or with restricted capacity for civil conduct;
- (ii) a person who has been sentenced to criminal penalty for corruption, bribery, infringement of property, misappropriation of property or sabotaging the order of socialist market economy, where less than five years have elapsed since the deprivation lapsed, or who has been deprived of his political rights due to criminal offense, where less than five years have elapsed since the deprivation lapsed, or who has been sentenced to probation and a 2-year period has not elapsed since the date of expiration of the probation period;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (iii) a person who is a director or factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where three years have not yet elapsed since the date of completion of the liquidation of the company or enterprise;
- (iv) a person who is a former legal representative of a company or enterprise, the business license of which was revoked or such company or enterprise was ordered to shut down due to violation of law and such person is personally liable for such consequences, where less than three years have elapsed since the date of the revocation of business license or closure by order of such company or enterprise;
- (v) a person who has a relatively large amount of debt which has become overdue and is listed by the People’s Court as a dishonest person;
- (vi) a person who is subject to a securities market entry prohibition measure imposed by the CSRC, and the period of the prohibition has not lapsed;
- (vii) other circumstances stipulated by laws, administrative regulations or departmental rules.

Directors shall be elected or changed at the general meeting, and the general meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made. A director may serve a term of three years for each session and may serve consecutive terms if re-elected upon the expiry of his term. The term of a director commences from the date on which he assumes office, until the current term of service of the Board ends. If a director’s term of service expires but a new director is not yet appointed, the existing director shall continue to fulfill the duties as a director according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director’s appointment comes into effect. The senior management personnel may concurrently serve as a director, provided that the total number of directors who also hold the position of senior management personnel and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

A director may resign before the expiration of his or her term of office. A resigning director shall submit written resignation report to the Board. The Board will disclose the relevant circumstances within two days. If, as a result of the resignation of a director, the number of directors on the Board of the Company is lower than the minimum number prescribed by the law, the original director shall continue to perform the duties as a director in accordance with laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director assumes office. Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is served on the Board.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

(II) Board

The Company shall have a Board, which shall be accountable to the general meeting. The Board shall consist of 9 directors, with 3 independent directors and 1 employee director.

The Board shall exercise the following functions and powers:

- (i) to summon general meetings and report its works to the general meeting;
- (ii) to implement resolutions of the general meeting;
- (iii) to decide on the Company's business plan and investment project;
- (iv) to formulate the Company's projects for profit distribution and loss recovery;
- (v) to formulate projects for the increase or reduction of the registered capital of the Company, the issue of bonds of the Company;
- (vi) to formulate projects for mergers, division, dissolutions and changes in corporate form of the Company;
- (vii) to decide, within the authorisation of the general meeting, on matters such as the issuance of corporate bonds, external investments, acquisition and sale of assets, pledging of assets, external guarantee matters, entrusted wealth management and related party transactions.
- (viii) to decide on the establishment of the internal management structure of the Company;
- (ix) to decide on the appointment or dismissal of the general manager of the Company and their remuneration; to decide on the appointment or dismissal of senior management personnel such as the deputy general manager, the financial controller and their remuneration upon nomination by the general manager;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate the project of amendments to these Articles of Association;
- (xii) to manage corporate information disclosure matters;
- (xiii) to submit to the general meeting a request for the engagement or replacement of the accounting firm auditing for the Company;
- (xiv) to receive reports on the work of the Company's general manager and checking the work of the general manager;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (xv) to decide on the recommendation, appointment, or replacement of directors, supervisors, and senior management personnel for the Company’s holding subsidiaries, joint-stock companies, joint ventures, or associated enterprises;
- (xvi) such other powers granted by laws, administrative regulations, departmental rules and regulations or these Articles of Association.

The Board is vested with the following decision-making authorities:

- (i) the power of authority to make significant investment and transaction decisions, such as external investments with the assets of the Company, equity transfers, asset sales and purchases, and asset swaps, shall be exercised in accordance with the Company’s Major Investment and Transaction Decision-Making System;
- (ii) pursuant to the Company’s operational circumstances, the Board has the autonomy to decide on borrowing from financial institutions such as banks and the corresponding property guarantees. The authority is limited to: a single loan amount not exceeding 30% of the Company’s most recently audited net assets, and the total amount of loans incurred within the year not exceeding the relevant loan quota approved in the annual financial budget by the general meeting.
- (iii) to decide on guarantee matters other than those stipulated in Article 43 of these Articles of Association;
- (iv) to decide on transactions with related parties that reach the following criteria;
 1. related-party transactions between the Company and an associated natural person with a transaction amount exceeding RMB300,000 but not exceeding RMB3 million.
 2. related-party transactions between the Company and an associated legal entity with a transaction amount exceeding RMB3 million but not exceeding RMB30 million, and accounting for more than 0.5% but not exceeding 5% of the absolute value of the Company’s latest audited net assets.
- (v) other investment and decision-making authorities granted by the general meeting.

The Board shall have one chairperson. The chairperson of the Board shall be elected by more than half of all directors.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

The chairperson of the Board shall exercise the following duties and powers:

- (i) to preside over general meetings and to summon and preside over meetings of the Board;
- (ii) to supervise and inspect the implementation of resolutions of Board;
- (iii) to sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (iv) to sign on important documents of the Board and other documents which should be signed by the Company's legal representative;
- (v) to exercise the powers and duties of the legal representative;
- (vi) in the event of emergency of force majeure such as catastrophic natural disaster, to enforce special discretion on the affairs of the Company in accordance with provisions of laws and the interests of the Company and to report to the Board or the general meeting of the Company in a timely manner afterwards;
- (vii) to promptly consult and communicate with the Company's shareholders, directors, and president regarding issues arising in the course of the Company's production and operation;
- (viii) to attend the general manager's office meetings when necessary;
- (ix) to inquire about the situation and propose relevant topics to the working bodies such as committees under the Board of the Company;
- (x) other powers and duties granted by the Board.

Meetings of the Board are divided into regular meetings and extraordinary meetings.

Meetings of the Board shall be held at least twice a year.

The chairman shall convene and preside over extraordinary general meetings of the Board within 10 days after receiving the proposal in any of the following circumstances:

- (i) when the chairman considers necessary;
- (ii) when jointly proposed by more than one-third of the directors;
- (iii) when proposed by shareholders representing more than one-tenth of the voting rights;
- (iv) when proposed by the Supervisory Committee;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

(v) when proposed by the general manager;

(vi) other circumstances stipulated by the Articles of Association.

In convening the regular and extraordinary meetings of the Board, the office of the Board shall give a notice of the meeting 10 days and 2 days before the meeting date to all directors, supervisors and general manager. If a notice is not given by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made. In case of urgency and an extraordinary meeting of the Board is required to be convened as soon as possible, the notice of such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting shall give relevant explanation at the meeting.

Meetings of the Board shall be held only if more than half of the directors are present. Any resolutions of the Board must be subject to adoption by a simple majority of all directors. Each director shall have one vote for the resolutions of the Board. External guarantee that should be approved by the Board must be reviewed and decided by more than two-thirds of the directors present at the meeting of the Board.

If directors have associated relationship with enterprises involved in any resolution proposed at a meeting of the Board, such directors shall not exercise the voting power on the resolution or exercise the voting power on behalf of other directors. The meeting of the Board may be held with over one-half directors without associated relationship. If the unassociated directors attending the meeting of the Board are less than 3 people, the issues shall be submitted to the general meetings for examination.

(III) Special Committees of the Board

In accordance with the relevant resolutions of the general meeting, the Company's Board shall establish special committees such as the audit committee, the remuneration and appraisal committee and the nomination committee, among which, the members of the special committees are all composed of directors, a majority of the members of the audit committee, the nomination committee and the remuneration and appraisal committee shall be independent directors, and the audit committee shall include at least one independent director who shall be an accounting professional.

(IV) Senior Management Personnel

The Company shall have a general manager, who shall be appointed or dismissed by the Board. The Company shall have a deputy general manager, secretary of the Board, chief financial officer and other senior management personnel who shall be appointed or dismissed by the Board. The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

IV. SUPERVISORY COMMITTEE**(I) Supervisors**

Directors and senior management personnel shall not concurrently serve as a supervisor. The term of office of the supervisors shall be 3 years for each session. Supervisors are eligible for re-election upon expiry of their term of office.

(II) Supervisory Committee

The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of 3 supervisors and shall have 1 chairperson. The Supervisory Committee shall include shareholder representatives and an appropriate proportion of company employee representatives, of which the proportion of employee representatives shall not be less than one-third.

The Supervisory Committee shall exercise the following functions and powers:

- (i) to review and give written opinions on the periodic reports of the Company prepared by the Board;
- (ii) to examine the Company's financial matters;
- (iii) to supervise the performance by the directors and senior management personnels of their duties to the Company and propose the dismissal of the directors and senior management personnels who violates laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;
- (iv) to demand rectification from the directors and senior management personnels when the acts of such persons are harmful to the Company's interests;
- (v) to propose the convening of extraordinary general meetings; to convene and preside over the general meeting in the event that the Board fails to perform its duties to convene and preside over the general meeting in accordance with the Company Law;
- (vi) to submit proposals to the general meeting;
- (vii) to file lawsuits against the directors and senior management personnels in accordance with Article 189 of the Company Law;
- (viii) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (ix) to require directors and senior management personnels to submit reports on the performance of their duties.

Meetings of the Supervisory Committee consist of regular meetings and extraordinary meetings. Regular meetings of the Supervisory Committee shall be held once every six months. An extraordinary meeting shall be convened by the chairman of the Supervisory Committee within ten days from the date of occurrence of any of the following circumstances:

- (i) when proposed by any supervisor;
- (ii) when the general meeting or the meeting of the Board passed a resolution that violates the provisions and requirements of laws, rules and regulations, the Articles of Association, the resolutions of general meeting of the Company and other relevant provisions;
- (iii) where the misconduct of directors and senior management personnel is likely to cause material damage to the Company or to cause an adverse effect in the marketplace;
- (iv) when the Company, its directors, supervisors and senior management personnel are sued by shareholders.
- (v) when the Company, its directors, supervisors and senior management personnel are punished by the securities regulatory authority or publicly condemned by the stock exchange;
- (vi) other circumstances specified in the Articles of Association.

V. FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT**(I) Financial and Accounting System**

The Company shall prepare the annual financial and accounting reports within 4 months after the end of each financial year; prepare the interim financial and accounting reports within 2 months after the end of the first 6 months of each financial year; and prepare the quarterly financial and accounting reports within 1 month after the end of the first 3 months and the first 9 months of each financial year.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

After the resolution on the profit distribution is approved at the general meeting of the Company, the Board of the Company shall complete the distribution within six months after the approval of the resolution of the general meeting.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

(II) Internal Audit

The Company shall implement an internal audit system, where dedicated auditors carry out the internal audit and supervision over the revenue and expenditure and the economic activities of the Company. The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the Board. The officer in charge of audit shall be accountable to the Board and report his/her work to the same.

(III) Engagement of an Accounting Firm

The Company shall engage accounting firms "qualified for securities related business" to audit its accounting statements, verify its net assets, and provide other relevant consulting services. The term of appointment shall be 1 year and the term of office may be renewed. The Company's appointment of an accounting firm shall be decided by the general meeting. The Board shall not appoint any accounting firm prior to a decision made by the general meeting.

VI. NOTICE

Notices of the Company may be served as follows:

- (i) by personal delivery;
- (ii) by post;
- (iii) by announcement;
- (iv) by email;
- (v) by other means specified in the Articles of Association.

Where a notice of the Company is served by announcement, the notice shall be deemed as received by all the relevant persons once the notice is announced.

Any notice convening the general meeting of the Company shall be delivered by hand, fax, mail, email, announcement, telephone or other verbal means. Any notice convening a Board meeting of the Company shall be delivered by hand, fax, mail, email, announcement, telephone or other verbal means. Any notice convening a meeting of the Supervisory Committee of the Company shall be delivered by hand, fax, mail, email, announcement, telephone or other verbal means.

If the notice of the Company is delivered by hand, the addressee shall sign (or stamp) on the receipt of service, and the date of signature of the addressee shall be the date of service; if the notice of the Company is sent by mail, the date of service shall be 5th working day after the date of delivery to the post office; if the notice of the Company is sent by email, the date of service shall be the date the email reaches the designated electronic mailbox of the addressee. Where a notice of the Company is sent by way of an announcement, the date of publication of the first announcement shall be the date of service.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

VII. MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION, AND LIQUIDATION

(I) Merger, Division, Capital Increase and Reduction

A merger of the Company may take the form of merger by absorption or merger by new establishment. A company absorbing other companies is a merger by adsorption, and the absorbed company is dissolved. The merger of two or more companies to create a new company is a merger by new establishment, and the merging parties are dissolved. In the case of a merger, parties related to the merger shall execute a merger agreement, and shall prepare the balance sheets and a list of assets. The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the merger is adopted, and publish an announcement within 30 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the public announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

If the Company is to be divided, its property shall be divided accordingly. In the case of a division, the balance sheets and a list of assets shall be prepared. The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the division is adopted, and publish an announcement within 30 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division jointly and severally, except as otherwise stated in the written agreement entered into between creditors and the Company for debt service prior to the division.

In case of a reduction in the Company’s registered capital, the Company shall prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the reduction in the registered capital is adopted, and publish an announcement within 30 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

(II) Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

- (i) the business term stipulated in the Articles of Association has expired or other circumstances for dissolution specified in the Articles of Association arise;
- (ii) the general meeting has resolved to dissolve the Company by way of resolution;
- (iii) the merger or division of the Company requires a dissolution;
- (iv) the business license is revoked or the Company is ordered to close down or is cancelled in accordance with the law;
- (v) if the Company gets into serious trouble in operations and management and its continuation may incur material losses of the interests of the Shareholders, and no solution can be found through any other means, the Shareholders holding more than 10% of the total voting rights of the Company may request the People’s Court to dissolve the Company.

When causes for the dissolution as stipulated in the preceding paragraph occur, it shall disclose the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company is in the situation described in items (i) and (ii) of Article 191 and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association or a resolution passed by the general meeting. The amendments to the Articles of Association in accordance with the provisions in the preceding article shall require the approval of at least two-thirds of the voting rights held by Shareholders attending the general meeting.

Where the Company is dissolved as a result of aforesaid requirements, it shall be liquidated. If the Directors are the liquidation obligors of the Company, they shall establish a liquidation committee within fifteen days after the causes for the dissolution arise and carry out liquidation. The liquidation committee shall consist of directors or persons determined by the general meeting. If the Company fails to set up the liquidation committee to liquidate within the aforesaid period or fails to liquidate after establishing a liquidation committee, the interested parties may apply to the People’s Court for appointment of relevant persons to form a liquidation committee so as to proceed with liquidation.

The liquidation committee shall notify all creditors within 10 days after its establishment and shall publish an announcement within 60 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. The creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

notice or within 45 days from the date of the announcement if they have not received the notice. A creditor declaring a claim shall state the matters to which the claim relates and provide supporting documents. The liquidation committee shall register the claim. During the period of declaration of claims, the liquidation group shall not make any settlement to the creditors.

The liquidation committee shall formulate a liquidation plan after dealing with the Company's assets and compiling a balance sheet and a list of assets, and report it to a general meeting or the People's Court for confirmation. The remaining assets of the Company after paying the liquidation expenses, employees' wages, social insurance costs and statutory compensation, paying the outstanding taxes and settling the Company's debts respectively, shall be distributed to the shareholders of the Company in proportion to their shareholding. During the liquidation period, the Company shall exist, but cannot engage in operating activities that are not related to the liquidation. The assets of the Company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

If the liquidation committee, after examining the assets of the Company and preparing the balance sheet and a list of assets, finds that the assets of the Company are insufficient to satisfy its debts, it shall, in accordance with the law, apply to the People's Court for bankruptcy liquidation. Following a ruling by the People's Court that the Company is declared bankrupt, the liquidation committee shall hand over all matters relating to the liquidation to the bankruptcy administrator appointed by the People's Court.

Following the completion of the liquidation of the Company, the liquidation committee shall make a liquidation report, report to the general meeting or the People's Court for confirmation, and submit it to the company registration authority, apply for cancellation of the company registration.

VIII. AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following cases:

- (i) after the PRC Company Law or relevant laws, administrative regulations have been amended, the matters provided for in the Articles of Association are conflict with the provisions of the amended laws, administrative regulations;
- (ii) the circumstances of the Company have changed and are inconsistent with the matters recorded in the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.

Where the matters of amendment of the Articles of Association adopted by resolution of the general meeting need the examination and approval of the competent authorities, these matters shall be submitted to the competent authorities for approval; if they involve matters of the Company's registration, the registration of the changes shall be made in accordance with the law.