
APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix contains the summary of the principal provisions of the Articles of Association. The Articles of Association of the Company shall take effect on the date of the H Shares being [REDACTED] on the Stock Exchange.

SHARES

Shares of the Company are represented by share certificates.

The Shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights. Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. The same price shall be paid for each of the shares subscribed for by subscribers.

The par value shares issued by the Company are denominated in RMB.

The Company or its subsidiaries (including affiliates of the Company) shall not by way of gift, advance, guarantee or lending etc., provide financial aids for others to acquire shares of the Company or its parent company, except when the Company implements an employee shareholding platform.

For the benefits of the Company, the Company may, upon a resolution by the general meeting or by the Board under the Articles of Association or the authorization of the general meeting, provide financial aids for others to acquire shares of the Company or its parent company, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board shall be adopted by more than two-thirds of all the directors.

Increase, Reduction and Repurchase of Shares

In light of the Company’s operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the general meeting, by any of the following methods:

- (1) share issuance to unspecified parties;
- (2) share issuance to specified parties;
- (3) allotment of bonus shares to existing shareholders;
- (4) conversion of reserve funds to share capital;
- (5) other methods stipulated by laws, administrative regulations and the CSRC.

The Company may reduce its registered capital. Any reduction of the Company’s registered capital shall be subject to the procedures prescribed in the Company Law, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and other relevant provisions, as well as the procedures stipulated in the Articles of Association.

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The Company shall not acquire the Company's shares except in any of the following circumstances:

- (1) reduce the registered capital of the Company;
- (2) merger with other companies which hold shares of the Company;
- (3) use shares in employee shareholding plans or equity incentives;
- (4) the shareholder requests the Company to purchase its shares due to objection to the resolution on the merger or division of the Company made by the general meeting;
- (5) convert shares into corporate bonds issued by the Company that can be converted into share certificates;
- (6) necessary for the Company to safeguard the Company's value and shareholders' interests.

Transfer of Shares

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

The shares issued by the Company prior to the public issuance of shares shall not be transferred within one year from the date of listing of the Company's shares on the stock exchange.

Directors and senior management of the Company shall report to the Company the shares (including preferred shares) of the Company held by them and their changes. During their term of office as determined at the time of their appointment, the shares transferred each year shall not exceed 25% of the total number of shares of the same class they held in the Company. The shares of the Company shall not be transferred within one year from the date of listing. The above mentioned personnel shall not transfer the shares of the Company held by them within half a year after their resignation.

In the event that any shareholder holding 5% or more of the shares of the Company, director or senior management disposes of any shares or other equity securities held by him/her within six months from the date of acquiring, or acquires within six months from the date of disposing, the gains derived therefrom shall belong to the Company and be recovered by the Board of the Company. However, the securities company holds more than 5% of the shares as a result of the purchase of the remaining shares after the underwriting, and other circumstances stipulated by the CSRC shall be excluded.

General Provisions on Shareholders

The Company shall establish a register of shareholders on the basis of the certificates provided by the securities depository and clearing institution, and the register of shareholders shall be a sufficient evidence that shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

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When the Company convenes the general meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board or the convener of the general meeting should determine the record date. The shareholders whose names appear on the register of shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

Shareholders of the Company have the following rights:

- (1) have dividends and other forms of distribution of benefits based on the number of shares held by them;
- (2) lawfully request, convene, preside over, attend or appoint a shareholder's proxy to attend the general meeting, and exercise the corresponding speaking and voting rights;
- (3) supervise the operation of the Company and put forward suggestions or inquiries;
- (4) transfer, gift or pledge the shares held by it in accordance with the laws, administrative regulations and the Articles of Association;
- (5) inspect and make copies of the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of the Board and financial and accounting reports;
- (6) at the time of termination or liquidation, the Company shall participate in the distribution of the remaining assets of the Company according to the shares held by it;
- (7) a shareholder who disagrees with the resolution on the merger or division of the Company made by the general meeting shall require the Company to purchase its shares;
- (8) other rights stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

Shareholders of the Company have the following obligations:

- (1) comply with laws, administrative regulations and the Articles of Association;
- (2) pay the share capital in accordance with the shares subscribed for and the manner of share purchase;
- (3) shall not withdraw the shares except for the circumstances stipulated by laws and regulations;
- (4) shall not abuse the rights of shareholders to damage the interests of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) other obligations stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with law. Any shareholder who abuses the independent status of the Company as a legal person or the limited liability of shareholders to evade debts and causes severe harm to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

General Provisions on General Meeting

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) elect and replace directors, and decide on the remuneration of directors;
- (2) consider and approve the report of the Board;
- (3) consider and approve the Company's profit distribution plan and loss recovery plan;
- (4) make resolutions on the increase or decrease of the registered capital of the Company;
- (5) make resolutions on the issuance of corporate bonds by the Company;
- (6) make resolutions on the merger, division, dissolution, liquidation of the Company or change of the Company's form;
- (7) amend the Articles of Association;
- (8) make resolutions on the appointment and dismissal of the accounting firm responsible for the auditing of the Company;
- (9) consider and approve the guarantee matters stipulated in Article 47 of the Articles of Association;
- (10) consider the purchase or sale of material assets by the Company in excess of 30% of the Company's latest audited total assets within one year;
- (11) consider and approve the changes in the use of proceeds;
- (12) consider share incentive plans and employee shareholding plans;
- (13) consider other matters that shall be decided by the general meeting as provided in the laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

The general meeting may authorize the Board to make resolutions on the issuance of corporate bonds.

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 of the end of the previous accounting year.

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Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of occurrence:

- (1) the number of directors is less than the number prescribed in the Company Law or two-thirds of the number prescribed in the Articles of Association;
- (2) the unrecovered loss of the Company reaches one-third of the total paid up share capital;
- (3) at the request of shareholders who individually or collectively hold more than 10% of the shares of the Company;
- (4) when the Board deems it necessary;
- (5) when the Audit Committee proposes to convene;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of General Meeting

The Board shall convene the general meeting on time within the specified period.

Subject to the consent of a majority of all the independent directors, the independent directors have the right to propose to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal. Where the Board agrees to convene the extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the resolution of the Board is made. Where the Board does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement.

The Audit Committee shall propose to the Board to convene of an extraordinary general meeting in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the resolution of the Board is made, and the changes to the original proposal in the notice shall be agreed with the Audit Committee.

Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the proposal, the Board shall be deemed to be unable to perform or fail to perform its duties of convening the general meeting, and the Audit Committee may convene and preside over the meeting by itself.

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Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to request the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the request.

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the resolution of the Board is made, and the changes to the original request in the notice shall be agreed with relevant shareholders.

Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or collectively holding more than 10% of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary general meeting in writing.

Where the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting within 5 days of receiving the request, and the changes to the original request in the notice shall be agreed with relevant shareholders.

Where the Audit Committee fails to issue a notice of the general meeting within the prescribed period, the Audit Committee shall be deemed to not convene or preside over the general meeting, and the shareholders who individually or collectively hold more than 10% of the Company's shares (including preference shares with voting rights restored, etc.) for more than 90 consecutive days may convene and preside over the meeting on their own.

Where the Audit Committee or the shareholders decide to convene a general meeting on its/their own, the Audit Committee or such shareholders shall notify the Board in writing.

Before any resolution of the general meeting is made, the convening shareholders shall have a shareholding of no less than 10%.

For the general meetings convened by the Audit Committee or shareholders, the Board and the secretary to the Board shall work in a cooperative manner. The Board shall provide the register of shareholders of the record date. The register of shareholders provided to the convener shall not be used for purposes other than convening the general meeting.

Where the Audit Committee or shareholders decide to convene the general meeting on its/their own, the Company shall bear all necessary expenses in relation to the meeting.

Proposal and Notice for General Meeting

When the Company convenes a general meeting, the Board, the Audit Committee and shareholders individually or jointly holding more than 1% of the Company's shares have the right to propose proposals to the Company.

Shareholders who individually or collectively hold 1% or more of the Company's shares may make a provisional proposal and submit it in writing to the convener 10 days before the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days of receipt of the proposal, announcing the content of the provisional proposal, and the provisional proposal

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shall be submitted to the general meeting for deliberation, unless the provisional proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the general meeting.

Save for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of general meeting or add new proposals after issuing the notice of general meeting.

Proposals that are not listed in the notice of general meeting or do not comply with the provisions of the Articles of Association shall not be voted on and resolutions made by the general meeting.

Holding of General Meeting

The the Board of the Company and other conveners shall take necessary measures to ensure the normal order of the general meeting. The Company shall take measures to stop any behavior that interferes with the operation of the meeting, provokes troubles and infringes upon the legitimate rights and interests of shareholders, which shall also be reported to the relevant departments for investigation and punishment in a timely manner.

All shareholders, including shareholders registered on the date of record and shareholders holding special voting shares or their proxies of the Company are entitled to attend the general meeting, and shall exercise their voting rights in accordance with the relevant laws, regulations, Hong Kong Listing Rules and the Articles of Association. Neither the Company nor the convener may refuse such attendance for any reason.

Shareholders may attend the general meeting in person or entrust a proxy to attend and vote on their behalf.

If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid documents or certificates that can identify him/ herself, if a shareholder authorizes a proxy to attends a meeting on his/her behalf, the proxy shall produce his/her own valid identity card and the power of attorney from the shareholder.

Legal person shareholders shall be represented by their legal representative or a proxy entrusted by the legal representative to attend the meeting. If a legal representative attends the meeting, he/she shall produce his/her identity card and a valid certificate proving his/her qualifications as a legal representative; if a proxy is entrusted to attend the meeting, the proxy shall produce his/her identity card and a written power of attorney issued by the legal representative of the legal person shareholder unit in accordance with the law.

Voting and Resolutions of General Meeting

Resolutions of general meetings are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made on the general meeting shall be passed by a majority of the voting rights held by shareholders present at the general meeting.

Special resolutions made on a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders present at the general meeting.

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The following matters shall be passed by ordinary resolutions at the general meeting:

- (1) work reports of the Board;
- (2) the profit distribution plan and loss recovery plan drawn up by the Board;
- (3) the appointment and removal of members of the Board and their remuneration and payment methods;
- (4) other matters other than those required to be passed by special resolutions under laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be passed by special resolutions at the general meeting:

- (1) the Company increases or decreases its registered capital;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company;
- (3) modification of the Articles of Association;
- (4) the Company purchases or sells major assets or the amount of guarantee provided to others exceeds 30% of the Company's latest audited total assets within one year;
- (5) equity incentive plan;
- (6) other matters that are stipulated in laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those that are determined by the general meeting to have a significant impact on the Company through ordinary resolutions and need to be passed through special resolutions.

General Provisions on Directors

Directors are elected or changed by the general meeting and may be removed from office by the general meeting before the expiration of their term. The term of directors is three years. Upon expiration of the term, directors may be re-elected.

The term of office of a director shall be calculated from the date of assuming office until the expiration of the term of the current Board. If a director's term of office expires and is not re-elected in time, until the re-elected director takes office, the original director shall still perform his or her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Directors may be concurrently held by senior management staff, provided that the total number of directors who concurrently serve as senior management staff and those who are employee representatives shall not exceed half of the total number of directors of the Company.

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Board of Directors

The Company shall set up a Board of Directors. The Board shall consist of no fewer than nine directors, at least one-third of whom shall be independent directors.

The Board shall have a chairman and may have a vice chairman. The chairman and vice chairman of the Board are elected by a majority of all of the directors.

The Board exercises the following functions and powers:

- (1) convene general meetings and report work to the general meeting;
- (2) implement the resolutions of the general meeting;
- (3) determine the Company's business plan and investment plan;
- (4) formulate the Company's profit distribution plan and loss recovery plan;
- (5) formulate plans for the Company to increase or reduce its registered capital, issue bonds or other securities and for the listing;
- (6) formulate plans for the Company's major acquisitions, the Company's acquisition of the Company's shares, or merger, division, dissolution and change of form of the Company;
- (7) determine external investments, purchases and sales of assets, pledge of assets, external guarantees, entrusted asset management, connected transactions and external donations of the Company within the scope of the authority granted by general meeting;
- (8) determine the establishment of the Company's internal management structure;
- (9) determine the appointment or removal of the manager of the Company, the secretary to the Board and other senior management and to decide on their remunerations and rewards and penalties; to determine the appointment or removal of the deputy manager, chief financial officer and other senior management of the Company based on the nomination by the manager and to decide on matters about their remunerations and rewards and penalties;
- (10) formulate the basic management system of the Company;
- (11) formulate proposals for amendment to the Articles of Association;
- (12) manage information disclosure of the Company;
- (13) propose the appointment or removal of the accounting firm for the Company's audit to the general meeting;
- (14) receive the work report and inspect the work of the manager of the Company;

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- (15) other functions and powers conferred by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Board meetings should be attended by a majority of the directors. Resolutions made by the Board should be approved by more than half of all directors.

Voting on resolutions of the Board is based on one person, one vote.

Independent Directors

The independent directors of the Company, as members of the board of directors, shall owe a duty of loyalty and diligence to the Company and all shareholders, and shall prudently fulfill the following duties:

- (1) participating in the decision-making of the Board and express their definite opinions on the matters discussed;
- (2) supervising matters relating to potential material conflicts of interest between the Company and its controlling shareholders, de facto controller, directors and senior management and protecting the legitimate rights and interests of small and medium-sized shareholders;
- (3) providing professional and objective advice on the Company's operation and development, and promoting the improvement of the decision-making level of the Board;
- (4) other duties as stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The independent directors shall exercise the following special powers and duties:

- (1) independently engaging intermediary organizations to conduct audits, consultations or verifications on specific matters of the Company;
- (2) proposing to the Board to convene an extraordinary general meeting;
- (3) proposing the convening of a meeting of the Board;
- (4) openly soliciting shareholders' rights from shareholders in accordance with the law;
- (5) expressing independent opinions on matters that may jeopardize the interests of the Company or the small and medium-sized shareholders;
- (6) other powers and duties as stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The exercise by an independent director of the powers and duties set out in preceding paragraphs (1) to (3) shall be approved by a majority of all independent directors.

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Special Committees under the Board of Directors

The Board of the Company shall establish an audit committee to exercise the functions and powers of the supervisory committee as stipulated in the Company Law.

The audit committee shall consist of three or more members, all of whom shall be non-executive directors who do not hold senior management positions in the Company. Independent directors shall constitute the majority of the audit committee, and the convenor (i.e., the Chairman of the Committee) shall be an independent director with professional accounting qualifications.

An extraordinary meeting may be convened upon the proposal of two or more members of the audit committee, or when the convenor deems it necessary. Meetings of the audit committee may only be held if more than two-thirds of the members are present.

Resolutions of the audit committee shall be passed by more than half of the members of the audit committee.

When voting on a resolution of the audit committee, every member shall have one vote.

Resolutions of the audit committee shall be recorded in meeting minutes in accordance with relevant regulations, and the members of the audit committee attending the meeting shall sign the meeting minutes.

The working procedures of the audit committee shall be formulated by the Board.

The Board of the Company shall set up other special committees, such as the Nomination Committee and the Remuneration Committee, to perform their duties in accordance with these Articles and the authorization of the Board. Proposals of the special committees shall be submitted to the Board for consideration and decision. The Board shall be responsible for formulating the working procedures of the special committees.

Independent directors shall constitute the majority of the Nomination Committee and the Remuneration Committee, and the convenor shall be an independent director. However, where the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The Board of Directors may also establish other committees or adjust existing committees as needed.

SENIOR MANAGEMENT

The Company has one manager and several deputy managers, who shall be appointed or dismissed by the Board.

The manager shall be responsible to the Board and exercises the following functions and powers:

- (1) preside over the Company's production, operation and management work, organize the implementation of Board resolutions, and report work to the Board;

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- (2) organize and implement the Company's annual business plan and investment plan;
- (3) formulate a plan for the establishment of the Company's internal management organization;
- (4) formulate the Company's basic management system;
- (5) formulate specific regulations of the Company;
- (6) propose to the Board to appoint or dismiss the Company's deputy manager and financial director;
- (7) decide on the appointment or dismissal of management personnel other than those who shall be appointed or dismissed by the Board;
- (8) other functions and powers granted by these Articles or the Board.

The manager shall attend Board meetings.

Financial and Accounting System

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations, regulations of relevant national departments and securities regulatory rules of the place where the Company's shares are listed.

The Company shall prepare and submit financial and accounting reports, including annual reports, in accordance with the relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed.

When the Company distributes after-tax profits for the year, it shall appropriate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, no further appropriations may be made.

If the Company's statutory reserve fund is insufficient to make up for losses in previous years, the current year's profits shall first be used to make up for the losses before making any appropriations to the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company has made appropriations to the statutory reserve fund from the after-tax profits, it may, upon passing a resolution at a general meeting, make further appropriations from its after-tax profits to the discretionary common reserve fund.

After the Company has made up its losses and made appropriations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by these Articles.

In case the shareholders' meeting approves to distribute any profit to any shareholder in violation of the Company Law, the shareholder shall return profits so distributed to the Company; if losses are caused thereby to the Company, the shareholders, as well as any Directors and senior management members responsible for the violation, shall be liable for compensation.

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

According to the dividend policy of the Company, the Board of Directors shall, in the annual profit distribution proposal submitted to the shareholders' meeting for approval, make recommendations on the profit distribution policy for that year and set out the corresponding reasons. The Company may distribute dividends in the form of cash, shares, or a combination of both, and shall give priority to cash distribution. Profit distribution shall not exceed the scope of accumulated distributable profits.

The Company's reserve fund is used to make up for the Company's losses, expand the Company's production and operations, or increase the Company's registered capital.

When the reserve fund is used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first; if such reserves are still insufficient to cover the losses, the capital reserve fund may be used in accordance with regulations.

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

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, duties and responsibilities, staffing, financial guarantee, use of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after approval by the Board and shall be disclosed to the public.

The internal audit institution is accountable to the Board.

Appointment of Accounting Firm

The Company shall engage an accounting firm that complies with the provisions of the Securities Law to provide accounting statement audits, net asset verification and other related consulting services. The appointment period is one year and can be renewed.

The Company's appointment and dismissal of an accounting firm shall be decided on the general meeting, and the Board may not appoint an accounting firm before a decision is made at the general meeting.

Liquidation, Merger, Division, Capital Increase and Capital Reduction

Company mergers may take the form of merger by absorption or merger by new establishment.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

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If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within ten days from the date of the resolution for the merger, and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty days. A creditor may within thirty days from the date of receipt of the notice or, in case where he/she fails to receive such notice within forty-five days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within ten days from the date of the resolution for the division, and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty days.

If the Company reduces its registered capital, a balance sheet and property list shall be prepared.

The Company shall notify its creditors within ten days from the date of the resolution for capital reduction passed by the shareholders' meeting, and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty days. A creditor may within thirty days from the date of receipt of the notice or, in case where he/she fails to receive such notice within forty-five days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

Where the Company increases or reduces its registered capital, an application for modification of registration shall be made to the company registration authority pursuant to the laws.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (1) the expiration of business term specified in these Articles or the occurrence of other events of dissolution as stipulated in these Articles;
- (2) the dissolution resolved at the general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company's business license is canceled or revoked or it is ordered to close down according to the law;
- (5) Where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to Shareholders' interests, and such difficulties cannot be dealt with in other ways, the Shareholders holding more than 10% of the voting rights of the Company may file an application to the people's court to dissolve the Company.

Where the Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, a liquidation shall be carried out. The Directors shall be the Company's liquidation obligors, and a liquidation committee shall be formed within 15 days from the date of occurrence of the event of dissolution, to carry out the liquidation process.

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The liquidation committee shall comprise the Directors, unless these Articles stipulate otherwise or the general meeting resolves to elect other person(s).

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

After checking the properties of the Company, and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by the general meeting or the people's court.

The Company's residual assets after the payment of liquidation expenses, staff wages, social insurance fees and statutory compensation, payment of outstanding taxes, and payment of the Company's debts shall be distributed to its Shareholders according to the proportion of their shareholdings.

During the liquidation period, the Company continues to exist but the Company shall not carry out any business activities irrelevant to the liquidation. The Company's assets shall not be distributed to its Shareholders prior to repaying debts in accordance with the preceding paragraph.

If the liquidation committee, after checking the Company's properties and preparing a balance sheet and property list, finds that the Company's properties are insufficient to pay off its debts, it shall file an application to the people's court for bankruptcy in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation committee shall transfer all liquidation affairs to bankruptcy administrators appointed by the people's court.

Upon completion of liquidation of the Company, 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.

AMENDMENTS TO THE ARTICLES

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

- (1) after the Company Law or relevant laws and administrative regulations are revised, the matters stipulated in the Articles contradict with the provisions of the revised laws and administrative regulation;
- (2) the Company's situation changes and is inconsistent with the matters recorded in the Articles;
- (3) the general meeting makes a resolution to amend the Articles.

Where the amendments to the Articles passed by the resolution of the general meeting require approval from the competent authority, such amendments shall be submitted to the relevant authorities for approval. Where the amendments involve Company registration matters, the involved amendments shall be registered in accordance with the laws.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

The Board shall amend the Articles in accordance with the resolution of the general meeting on amendments to the Articles and the approval of the relevant competent authorities.

Any amendment to the Articles that is required to be disclosed in accordance with laws and regulations shall be announced in accordance with provisions thereof.