This appendix contains a summary of the provisions of the Articles of Association of Huachuang new material Co., Ltd. (the "**Articles of Association**") reviewed and approved and latest amended on June 1, 2026 at the forth extraordinary shareholders' meeting in 2026 of the Company. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, so it may not contain all the information that is important to potential investors.

## SHARES AND REGISTERED CAPITAL

The shares issued by the company shall be denominated in RMB. Each share shall have a par value of RMB1. The issuance of shares by the company shall comply with the principles of openness, fairness and impartiality, and each share of the same class shall carry equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares issued at the same time subscribed by any entity or individual shall be paid for at the same price.

## INCREASE, REDUCTION AND REPURCHASE OF SHARES

### Increase of Capital

The Company may, based on its operating and development needs, increase capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions passed at the shareholders' meetings:

(i) issuance of shares to unspecified objects;

(ii) issuance of shares to specified objects;

(iii) allotment of shares and distribution of bonus shares to existing shareholders;

(iv) conversion of reserve to increase share capital; and

(v) any other methods stipulated by laws, administrative regulations, and approved by the CSRC and HKEX.

If the company increases its capital through the method specified in the preceding paragraph, existing shareholders of the company do not have a preemptive subscription right for the newly **[REDACTED]** shares.

### Reduction of Capital

The Company may reduce its registered capital. Reduction of the Company's registered capital shall be carried out in accordance with the procedures prescribed by the Company Law, the Listing Rules, other securities regulatory rules of the stock exchange where the Company's shares are **[REDACTED]**, and the Articles of Association. Where the Company reduces its registered capital, it must prepare a balance sheet and a schedule of property. The Company shall notify its creditors within ten (10) days from the date on which the shareholders' meeting adopts a resolution on the reduction of registered capital, and make a public announcement in a newspaper or through the National Enterprise Credit Information Publicity System within thirty (30) days. Creditors shall have the right to demand that the Company repay its debts in full or provide corresponding guarantees within thirty (30) days from the date of receipt of the notice, or within forty-five (45) days from the date of the public announcement if no notice is received.

When reducing its registered capital, the Company may reduce the number of shares otherwise than in proportion to the shareholdings of the shareholders.

### Repurchase of Shares

The company shall not acquire its own shares, except under any of the following circumstances:

(i) reduction of registered capital;

(ii) merger with another company which holds its shares;

(iii) use of shares for employee stock ownership plan or equity incentives;

(iv) a shareholder's objection to the resolution on the company's merger or division passed by the shareholders' meeting, requesting the company to acquire its shares;

(v) use of shares for conversion of corporate bonds issued by the company that can be converted into shares;

(vi) necessity for the purpose of maintaining the value of the company and shareholders' equity; or

(vii) other circumstances permitted by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are **[REDACTED]**, and other relevant provisions.

A resolution of a shareholders' meeting is required for acquisition of shares by the company under any of the circumstances stipulated in item (i) and item (ii) of the aforesaid paragraph; for the company's acquisition of shares under any of the circumstances stipulated in item (iii), item (v) and item (vi) of the aforesaid paragraph, should comply with the securities regulatory rules of the place where the Company's shares are **[REDACTED]**, a resolution of a board meeting passed by two-thirds or more of the directors attending the meeting shall be made pursuant to the provisions of the Articles of Association or the authorization of the shareholders' meeting.

After the Company repurchases its own shares in accordance with the provisions of the preceding article, if the repurchase falls under item (i), the Company shall cancel such shares within 10 days from the date of repurchase; if it falls under items (ii) or (iv), the Company shall transfer or cancel such shares within six months; if it falls under items (iii), (v) or (vi), the total number of the Company's own shares held shall not exceed 10% of the total issued share capital of the Company, and such shares shall be transferred or cancelled within three years.

If the relevant regulatory rules of the stock exchange where the Company's shares are **[REDACTED]** provide otherwise in respect of matters involving share repurchases, such provisions shall prevail.

## TRANSFER OF SHARES

Shares issued by the Company prior to its **[REDACTED]** shall not be transferred within one year as of the date on which the shares are **[REDACTED]** and **[REDACTED]** in a stock exchange. Where laws, administrative regulations, or provisions issued by the securities regulatory authorities under the State Council and the HKEX contain separate stipulations governing the transfer of shares held by shareholders or de facto controllers of a **[REDACTED]** company, such separate stipulations shall prevail.

Directors and senior management of the Company shall declare to the Company the shares of the Company held by them and any changes thereto. During their term of office as determined upon assuming office, they shall not transfer more than 25% of the total number of shares of the same class of the Company held by them in each year. Shares held by them shall not be transferred within one year from the date the Company's shares are **[REDACTED]** and **[REDACTED]**. Such persons shall not transfer the shares of the Company held by them within six months after resigning from their positions.

## REGISTER OF SHAREHOLDERS

The register of shareholders is adequate evidence of shareholding by shareholders. A shareholder shall enjoy the rights and bear the obligations by the type of shares held; shareholders who hold the same type of shares shall enjoy the same rights and bear the same type of obligations.

### Rights of Shareholders

Shareholders of the Company shall entitle the following rights:

(i) to receive dividends and other forms of profit distribution according to the proportion of shares they hold;

(ii) to request, convene, hold, participate or authorize proxies to attend shareholders' meeting according to the law, and to exercise relevant speaking and voting rights (unless any individual shareholder is required to abstain from voting on specific matters pursuant to applicable laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are **[REDACTED]**);

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

(iv) to transfer, donate or pledge the shares held thereby in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(v) to consult and copy the Articles of Association, the register of shareholders, the minutes of shareholders' meetings, the resolutions of the board of directors' meetings, and financial and accounting reports in accordance with the provisions of laws, administrative regulations and the Articles of Association; shareholders that meet the prescribed requirements may consult the Company's accounting books, accounting vouchers and other relevant corporate documents and obtain information concerning the Company;

(vi) to participate in the distribution of the residual property of the Company in proportion to the shareholdings held thereby upon the termination or liquidation of the Company;

(vii) with respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company, to demand the Company to purchase the shares held by them;

(viii) any other rights stipulated in the laws, administrative regulations, departmental rules, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** or the Articles of Association.

### Obligations of Shareholders

Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws and administrative regulations and the Articles of Association;

(ii) to make a capital contribution according to the shares they subscribe for and the capital participation method;

(iii) not to withdraw shares unless otherwise provided by laws and regulations;

(iv) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person independent status or the shareholders' limited liability to harm the interests of the Company's creditors;

(v) other obligations required by laws, administrative regulations and the Articles of Association.

## RESTRICTIONS ON RIGHTS OF THE CONTROLLING SHAREHOLDERS

The controlling shareholder or the actual controller of the Company shall exercise shareholder's rights in accordance with the law, not abusing the controlling right or making use of related-party relationships to damage the legitimate rights and interests of the company or other shareholders.

### The Shareholders' Meeting

#### *General Rules for the Shareholders' Meeting*

The shareholders' meeting acts as the supreme authority of the Company which, according to laws, exercises the following functions and power:

(i) electing and replacing directors who are not represented by employees, and deciding the remuneration matters of the directors;

(ii) deliberating and approving the reports of board of directors;

(iii) deliberating and approving the profit distribution plan and loss compensation plan of the company;

(iv) making resolution on increasing or decreasing the registered capital of the company;

(v) making resolution on the issuing of company bonds;

(vi) making resolution on merger, spin-off, division, dissolution, liquidation or changing the form of the company;

(vii) amending the Articles of Association;

(viii) deliberating and approving transactions that shall be determined by the shareholders' meeting pursuant to the Articles of Association and the Rules of Procedure of the Shareholders' Meeting, and deliberating and approving guarantee matters stipulated in the Articles of Association;

(ix) adopting resolutions on the engagement, dismissal or not be reappointed of accounting firms engaged to conduct the Company's audit services;

(x) deliberating matters involving the purchase or sale of material assets by the Company within one year that exceed thirty percent (30%) of the Company's total assets as derived from the audited financial statements of the most recent period;

(xi) deliberating and approving the change in the use of proceeds raised from fund raising;

(xii) deliberating the employee share ownership plan and equity incentive plan;

(xiii) deliberating other matters that shall be decided by the shareholders' meeting pursuant to laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Articles of Association.

The shareholders' meetings consist of annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year within 6 months after the end of the previous accounting year.

The Company shall convene an extraordinary shareholders' meeting within 2 months from the date of occurrence of any of the following circumstances:

(i) the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association (i.e., the number of directors is fewer than five);

(ii) when the Company's uncovered losses amount to one-third of the total paid-up share capital;

(iii) when Shareholders, individually or collectively, holding more than 10% of the shares of the Company submit a written request for convening an extraordinary shareholders' meeting (the shareholding amount shall be calculated as of the date on which the shareholder(s) submit the written request, and treasury shares (if any) shall be excluded);

(iv) when the Board deems it necessary;

(v) when the Audit Committee proposes to convene;

(vi) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** or the Articles of Association.

**Convening of the Shareholders' Meeting**

The Board of Directors, independent non-executive Directors (with the consent of more than half of all independent non-executive Directors), the Audit Committee, and shareholders holding individually or jointly 10% or more of the Company's issued shares shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall give a written response agreeing or refusing to convene an extraordinary general meeting within ten (10) days from the date of receiving such proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within five (5) days after adopting the relevant board resolution. Any amendment to the original proposal in such notice shall obtain the consent of the Audit Committee or the relevant shareholders.

If the Board of Directors refuses to convene an extraordinary general meeting or fails to give a response within ten (10) days after receiving the proposal, the Audit Committee may convene and preside over the meeting by itself. Shareholders holding individually or jointly 10% or more of the Company's issued shares that propose to the Audit Committee the convening of an extraordinary general meeting together with a motion shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within five (5) days after receiving the request. Any amendment to the original request in such notice shall obtain the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit Committee declines to convene and preside over the general meeting. Shareholders holding individually or jointly 10% or more of the Company's issued shares for more than ninety (90) consecutive days may convene and preside over the general meeting by themselves.

**Proposals at the Shareholders' Meeting**

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

Shareholders holding individually or jointly one percent (1%) or more of the Company's shares may put forward extraordinary proposals and submit them in writing to the convener. An extraordinary proposal shall set forth clear subjects for discussion and specific resolutions to be adopted. The convener shall issue a supplementary notice of the general meeting ten (10) working days prior to the date of the general meeting, informing the content of the extraordinary proposal, and submit such extraordinary proposal to the general meeting for deliberation. This shall not apply, however, if the extraordinary proposal violates the provisions of laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Articles of Association, or falls outside the scope of the general meeting's authority. The Company shall not raise the shareholding threshold for shareholders to put forward extraordinary proposals.

Except as provided above, the convener of a shareholders' meeting shall not amend the proposals already specified in the notice of the shareholders' meeting or add new proposals subsequent to the issue of the notice of the shareholders' meeting. Proposals that are not specified in the notice of the shareholders' meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the shareholders' meeting.

**Notice of the Shareholders' Meetings**

The convenor shall inform each shareholder in writing (including by announcement) 21 days prior to the convening of an annual shareholders' meeting or 15 days prior to the convening of an extraordinary shareholders' meeting. In determining the starting date, the Company shall not include the date on which the meeting is held.

A notice of shareholders' meeting shall include the following contents:

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

(ii) matters and proposals submitted for consideration at the meeting;

(iii) particulars shall be in clear text that all shareholders are entitled to attend shareholders' meetings and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;

(iv) the date of record of shareholders entitled to attend the shareholders' meeting;

(v) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings;

(vi) the voting time and procedures online or by any other method (if any); and

(vii) other requirements as stipulated by the laws, administrative regulations, departmental rules, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** or the Articles of Association.

**The Convening of the Shareholders' Meeting**

All shareholders registered on the record date or their proxies, shall have the right to attend and speak at the shareholders' meeting, and to exercise voting rights at the meeting in accordance with relevant laws, regulations and the Articles of Association, unless an individual shareholder is required to abstain from voting on particular matters pursuant to the Listing Rules.

Any shareholder entitled to attend and vote at a shareholders' meeting may attend the meeting in person, or appoint one or more proxies (who need not be shareholders of the Company) to attend and vote on such shareholder's behalf.

**Resolutions of the Shareholders' Meetings**

Resolutions of the shareholders' meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution of the shareholders' meeting shall be adopted by a majority of the voting rights held by the shareholders (including their proxies) present at the meeting (excluding treasury shares, if any). A special resolution of the shareholders' meeting shall be adopted by not less than two-thirds of the voting rights held by the shareholders (including their proxies) present at the meeting (excluding treasury shares, if any).

The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

(i) work reports of the Board of Directors;

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

(iii) appointment, removal, remunerations and method of payment of members of the Board of Directors; remove any director (including the managing director or other executive directors) prior to the expiration of his or her term of office, provided that such removal shall not prejudice any claim for damages made by such director pursuant to any contract;

(iv) annual reports of the Company;

(v) the appointment and dismissal of the Company's accounting firm, and the determination of its remuneration;

(vi) Connected transactions between the Company and connected persons that require approval by the shareholders' meeting in accordance with the Hong Kong Listing Rules;

(vii) changes to the use of [proceeds] from fundraising projects; and

(viii) matters other than those required by the laws, administrative regulations, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** or the Articles of Association to be approved by special resolutions.

The following matters shall be approved by special resolutions at a shareholders' meeting:

(i) increase or reduction of the registered capital of the Company (including proportional increase or reduction and non proportional increase or reduction);

(ii) division, spin off, merger, dissolution and liquidation (including voluntary winding-up) or change of the company's form of the Company;

(iii) amendments to the Articles of Association;

(iv) purchase or disposal of material assets or provision of guarantee provided to others by the Company within one year with an amount exceeding 30% of the latest total assets in the audited financial statements of the Company;

(v) issuance of shares, convertible corporate bonds, preferred shares, and other securities approved by the CSRC and the Hong Kong Stock Exchange;

(vi) listing of a spin-off subsidiary;

(vii) stock incentive plans; and

(viii) matters specified by the laws, administrative regulations, departmental rules, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** or the Articles of Association, and other matters which are confirmed through ordinary resolutions at shareholders' meetings as having a significant influence on the Company and requiring special resolutions to approve.

## DIRECTORS AND BOARD OF DIRECTORS

### Directors

Directors who are not employee representatives shall be elected or replaced by the shareholders' meeting, and may be removed by the shareholders' meeting before the expiry of their terms of office. The term of office of the directors shall be three years, and they may be re-elected and re-appointed.

The term of office of a director shall be calculated from the date of assuming office and shall expire upon the completion of the term of the current session of the Board of Directors. If the directors are not re-elected in a timely manner upon the expiration of their terms of office, the original directors shall continue to perform their duties as directors in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected directors assume office.

### The Board

The Company shall have a Board of Directors. The Board shall consist of seven directors, including three independent non-executive directors and one employee representative director. The Company has one chairman who shall be elected by more than half of all directors.

The Board shall exercise the following powers:

(i) to summon shareholders' meetings and report its work to the shareholders' meetings;

(ii) to implement the resolutions of the shareholders' meeting;

(iii) to decide on the Company's business plans and investment plans;

(iv) to formulate the Company's profit distribution plans and loss recovery plans;

(v) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and **[REDACTED]** plans;

(vi) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

(vii) deciding on matters such as the Company's external investment, acquisition and sale of assets, asset pledge, external guarantee, entrusted financial management, connected transactions, external donations and other matters within the scope of authorization by the shareholders' meeting and the scope permitted by the securities regulatory authorities of place where the Company's shares are **[REDACTED]**;

(viii) to decide on the establishment of the Company's internal management structure;

(ix) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management members of the Company, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's vice general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(x) to formulate the basic management system of the Company;

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

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

(xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that audits the Company;

(xiv) to listen to the work report of the general manager of the Company and inspect the work of the general manager; and

(xv) other functions and powers conferred by laws, administrative regulations, departmental rules, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** the Articles of Association or authorized by the shareholders' meeting.

The Board of Directors shall convene at least four meetings each year. Such meetings shall be convened by the Chairman of the Board, who shall issue a written notice to all directors fourteen days prior to the meeting. Shareholders representing one-tenth or more of the voting rights, one-third or more of the directors, the Audit Committee, or more than half of the independent non-executive directors and other circumstances specified in the Articles of Association may propose the convening of an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over the Board meeting within ten days upon receipt of the proposal.

A meeting of the Board of Directors may only be held if attended by more than half of all directors. Resolutions of the Board of Directors shall be adopted by a majority vote of all directors.

Where a director has a connected relationship with an enterprise or individual involved in a matter to be resolved at a Board meeting (including having a material interest in the resolution), such director shall promptly report such relationship to the Board in writing. A director with a connected relationship shall not exercise voting rights on such resolution, nor shall he or she exercise voting rights on behalf of other directors as a proxy. The Board meeting may be held if attended by more than half of the non-connected directors, and any resolution adopted at the meeting shall be approved by a majority of the non-connected directors. If the number of non-connected directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for deliberation.

**The Independent Non-executive Director**

The independent non-executive director of the Company shall meet the following requirements:

(i) possess the qualifications to act as a director of the Company in accordance with laws, administrative regulations and other relevant provisions;

(ii) comply with the independence requirements specified in the Articles of Association;

(iii) have basic knowledge of the operation of **[REDACTED]** companies and be familiar with relevant laws, regulations and rules;

(iv) have more than five years of work experience in law, accounting, economics or other fields necessary for performing the duties of an independent non-executive director;

(v) possess good personal morality and have no adverse records such as major dishonesty;

(vi) meet other requirements stipulated by laws, administrative regulations, the CSRC, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** and the Articles of Association.

In addition to the general rights of directors, independent non-executive directors shall exercise the following special rights:

(i) independently engage intermediary institutions to audit, consult on or verify specific matters of the Company;

(ii) propose to the Board the convening of an extraordinary general meeting of shareholders;

(iii) propose the convening of a Board of Directors meeting;

(iv) publicly solicit shareholder rights from shareholders in accordance with the law;

(v) express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(vi) other rights stipulated by laws, administrative regulations, the CSRC, the Listing Rules, regulatory rules of the place where the Company's shares are **[REDACTED]** and the Articles of Association.

For independent non-executive directors to exercise the rights stipulated in item (i) to (iii) of the aforesaid paragraph, the consent of more than half of all independent non-executive directors shall be obtained.

**Special Committees of the Board**

The Board of Directors of the Company shall establish an audit committee to exercise the official powers of the board of supervisors stipulated by the Company Law.

The Board of Directors of the Company shall establish special committees including the Audit Committee, Nomination Committee and Remuneration Committee. The special committees shall be accountable to the Board of Directors and perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. The Board of Directors shall be responsible for formulating the rules of procedure and working procedures of each special committee, stipulate matters such as the composition, functions and powers and procedures of the special committees, and regulate the operation of the special committees. If the Listing Rules or relevant provisions of the securities regulatory authority of the place where the Company's shares are **[REDACTED]** provide otherwise, such provisions shall prevail.

**The Related Transactions**

The Board may make decisions regarding any related transaction outside the annual budget between the Company and the related parties with the total amount of a single or cumulative transactions not reaching RMB30,000,000.

**The General Manager**

The Company shall have 1 general manager, who shall be appointed or dismissed by the Board. The general manager shall be accountable to the Board and exercise the following functions and powers:

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

(ii) to organize and implement the Company's annual operation plan and investment plan;

(iii) to formulate the plan for establishment of the Company's internal management organization;

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

(v) to formulate the detailed rules and regulations of the Company;

(vi) to request the Board to engage or dismiss deputy general manager and chief financial officer;

(vii) to decide the appointment or dismissal of managements other than whose appointment or dismissal required to be decided by the Board;

(viii) to decide the salary, benefits, rewards and punishments for company employees, and decide on the employment and dismissal of company employees;

(xi) other functions and powers conferred by the Articles of Association or the Board.

The general manager shall attend the meetings of the Board.

**SECRETARY TO THE BOARD**

The Company shall have a secretary to the Board, responsible for preparing shareholders' meetings and Board meetings of the Company, maintaining documents and managing shareholder information of the Company, handling the information disclosure matters.

## FINANCIAL AND ACCOUNTING SYSTEM

The company lays down a financial and accounting system according to the laws, administrative regulations and provisions of relevant government departments. Apart from the legally prescribed accounting books, the company shall not establish another accounting book. The company's funds will not be deposited under any personal accounts.

When the company distributes its after-tax profits of the current year, it shall allocate 10% of the profits into the legal reserve fund. If the company's legal reserve fund exceeds 50% of the registered capital, no further allocation is required. If the legal reserve fund of the company is insufficient to compensate for the losses suffered in the previous year, then before making the allocation mentioned in the last paragraph, profits of the current year shall first be used to cover up the losses. After the company withdraws the legal reserve fund from the after-tax profits, if resolved by the shareholders' meeting, it may also withdraw an optional reserve fund from the after-tax profits.

After the company makes up losses and withdraws reserve funds, the balance of after-tax profits shall be distributed according to the proportion of shares held by shareholders.

If the shareholders' meeting violates the Company Law by distributing profits to shareholders, the shareholders shall return the distributed profits to the company. If losses are caused to the company, the shareholders and the responsible directors and senior executives shall be liable for compensation.

Shares of the company held by the company do not participate in profit distribution.

## DISSOLUTION AND LIQUIDATION OF THE COMPANY

In any of the following circumstances, the Company shall be dissolved:

(i) the term of business provided in the Articles of Association is expired or other reasons for dissolution as specified in the Articles of Association occur;

(ii) a resolution on dissolution is passed at a shareholders' meeting;

(iii) dissolution is required due to a merger or division of the Company;

(iv) the Company's business license is revoked or the Company is ordered to close down or be dissolved in accordance with the laws;

(v) Where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to shareholders' interests, and no solution can be found through any other channel, shareholders representing 10% or above of the total voting rights of the Company may request the People's Court to dissolve the Company.

Where the Company is dissolved as a result of the provisions set out in items (i), (ii), (iv) and (v) of the above paragraph, a liquidation committee shall be established within 15 days after the occurrence of such event of dissolution to commence the liquidation process. The liquidation committee shall consist of directors, unless otherwise provided for in the Articles of Association or other persons are selected by a resolution of the shareholders' meeting.

The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcements in newspapers or the National Enterprise Credit Information Publicity System within 60 days from the date of its establishment. The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received. When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation. The remaining assets of the Company after payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts shall be distributed to shareholders in proportion to the shares held by the shareholders.

During the liquidation period, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The assets of the Company shall not be distributed to any shareholder before full payments have been made out of the assets according to the above.

If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall apply to the People's Court for declaration of bankruptcy. After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, then submitted it to the shareholders' meeting or the People's Court for confirmation, and shall be submitted to the Company's registration authority for application for cancelling the registration of the Company.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

(i) after the Company Law or relevant laws, administrative regulations, the Listing Rules and regulatory rules of the place where the Company's shares are **[REDACTED]** are amended, the provisions of the Articles of Association conflict with the provisions of the amended laws, administrative regulations, the Listing Rules and regulatory rules of the place where the Company's shares are **[REDACTED]**;

(ii) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;

(iii) The shareholders' meeting decides to amend the articles of association by special resolution.