

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATIONS

1. SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

Shares of the Company are represented by stock.

The shares of the Company shall be issued based on the principle of openness, fairness and impartiality and shall rank pari passu with each other in all respects within the same class.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price per share. The same price shall be paid for each of the shares subscribed for by subscribers.

The Company shall not provide financial assistance to others for obtaining the shares of the Company or its parent company in the form of gifts, advances, guarantees, loans, etc., except as otherwise provided by laws, administrative regulations, rules, the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

2. INCREASE AND REDUCTION IN CAPITAL AND REPURCHASE OF SHARES

The Company may, in light of its operational and developmental needs and in accordance with the provisions of the laws, regulations and securities regulatory rules of the place where the Company’s shares are listed, increase its capital by any of the following methods, subject to resolutions made individually at the general meeting:

- a public offering of Shares;
- a non-public offering of Shares;
- distributing bonus shares to its existing Shareholders;
- increase in share capital by way of conversion from capital reserve;
- other methods specified by the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, and the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

The Company may reduce its registered capital. Such reduction shall be made in accordance with the procedures set out in the Company Law and other relevant regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the company’s stocks are listed, and the Articles of Association.

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

- To reduce the registered capital of the Company;
- To merge with other company that holds its shares;
- To use the shares for the employee stock ownership plan or equity incentive;
- The shareholders raise objections to resolutions of the general meeting on the merger or division of the Company, and thus requiring the Company to acquire their shares;
- To use the shares for the conversion of the convertible corporate bonds issued by the Company;
- Necessary for the Company to protect its value and the shareholders' equity;
- Any other circumstances permitted by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed.

3. SHARE TRANSFER

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

Shares that have been issued before the public offering shall not be transferred for a period of one year commencing from the date of listing and trading of the Company's shares on a stock exchange.

The directors and senior officers of the Company shall declare the number of shares held by them and any changes therein. The number of shares transferred each year during their term of office as determined at the time of their assumption of office shall not exceed 25% of the total number of shares of the Company in the same class held by them. The shares of the Company held by them shall not be transferred within 1 year from the listing and trading date of the shares of the Company. These people shall not transfer the shares of the Company held by them within half of the year from their departure from the Company.

Where laws, administrative regulations or the securities regulatory authorities under the State Council or other securities regulatory rules of the place where the Company's shares are listed otherwise provide for the transfer of shares of the Company held by shareholders, such provisions shall prevail.

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For shareholders holding more than 5% of the Company’s shares, directors and senior officers, if they have sold the shares of the Company or other securities with 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 Directors of the Company. However, securities 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 and the securities regulatory authorities of the place where the Company’s shares are listed are excluded.

The shares or other securities with an equity nature held by directors, senior officers and natural person shareholders as mentioned in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents, children, and those held in the accounts of others.

4. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

The Company shall establish a register of shareholders based on the certificates provided by securities registries. The register of shareholders shall be the sufficient evidence of the shareholders’ holding of the Company’s shares. Shareholders shall enjoy the rights and assume the obligations according to the classes of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company convenes a general meeting, distributes dividends, engages in liquidation or makes other conducts that require the confirmation of identification of shareholders, the Board of Directors or the convener of the general meeting shall determine the Record Date for registration of shareholding. Shareholders included in the register of shareholders at the close of business on the Record Date shall be the shareholders entitled to the relevant rights and interests.

Shareholders of the Company shall have the following rights:

- the right to speak and vote at the shareholders’ meeting, unless required by the Hong Kong Listing Rules to waive voting rights on individual matters;
- to receive dividends and other forms of benefits in proportion to the number of shares held;
- to request, convene, chair, attend or appoint a proxy to attend the general meetings on his/her behalf in accordance with laws and exercise the corresponding voting rights;
- to supervise the Company’s operations, and to put forward proposals and raise inquiries;
- to transfer, bestow or pledge the shares they hold in accordance with laws, administrative regulations and the provisions of the Articles of Association;

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- to inspect or copy the Articles of Association, the register of shareholders, the minutes of the shareholders' meeting, the resolutions of the board of directors' meeting, and the financial accounting reports, and shareholders who meet the requirements may also inspect the company's accounting books and accounting vouchers;
- to participate in the distribution of the residual assets of the Company according to the number of Shares held, in the event of the termination or winding up of the Company;
- the shareholders disagreeing with the resolution of the general meeting on merger or separation are entitled to ask the Company to acquire their Shares;
- other rights stipulated by laws, administrative regulations, department rules, the Hong Kong Listing Rules or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

- to comply with the laws, administration regulations, departmental rules, regulatory rules of the place where the company's stocks are listed and the Articles of Association;
- to pay subscription moneys for the Shares subscribed in accordance with the agreed manner of payment;
- not to withdraw share capital from the Company except for the circumstances set out in the relevant laws and administrative regulations;
- not to abuse shareholder's rights to infringe upon the interests of the Company or other shareholders; not to abuse the independent legal entity status of the Company and the limited liability of shareholders to infringe upon the interests of the creditors of the Company;
- to perform other obligations prescribed in laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the abuse of shareholders' rights causes any loss to the company or other shareholders, such abusive shareholder shall be liable for compensation in accordance with the law. Where shareholders of the Company take advantage of the Company's independent status as a legal person or the limited liability of shareholders to evade debts and seriously infringe upon the interests of the Company's creditors, such shareholders shall be jointly and severally liable for the debts of the company.

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5. GENERAL MEETINGS

General provisions

The general meeting is the body by which the Company exercises its powers, and shall exercise the following powers in accordance with the law:

- to elect and replace directors not represented by employee representatives and to decide on matters relating to the remuneration of directors;
- to examine and approve reports of the Board;
- to examine and approve profit distribution plans and loss recovery plans of the Company;
- to make resolutions concerning the increase or reduction of the Company’s registered capital;
- to make resolutions on the issuance of corporate bonds;
- to make resolutions on matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;
- to amend the Articles of Association;
- to make resolution on the appointment, dismissal of the accounting firm undertaking the Company’s auditing business and the determination of their remuneration;
- to examine and approve the guarantee matters provided for in Article 47 of the Articles of Association;
- to examine matters relating to the Company’s purchase and sale of material assets within one year that exceed 30% of the audited total assets of the Company in the most recent period;
- to examine and approve matters concerning changes in the use of funds raised;
- to examine the equity incentive scheme and Employee Stock Ownership Plan;
- to examine other matters that shall be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

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The general meeting can authorize the board of directors to make resolutions on the issuance of corporate bonds. The company may issue stocks or corporate bonds convertible into stocks upon resolution of the shareholders’ meeting or by resolution of the board of directors upon authorization by the shareholders’ meeting. The specific implementation shall comply with the provisions of laws, administrative regulations, the China Securities Regulatory Commission and the Hong Kong Stock Exchange.

The general meetings shall be classified into the annual general meetings and the extraordinary general meetings. The annual general meeting shall be convened once a year, and shall be held within six months after the prior fiscal year ends.

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

- when the number of directors falls below the number prescribed in the Company Law or less than two-thirds of the number prescribed by the Articles of Association;
- when the uncovered loss of the Company amounts to one-third of the total share capital of the Company;
- when shareholders who individually or collectively hold no less than 10% of the Company’s outstanding voting shares request in writing the convening of an extraordinary shareholders’ meeting (the number of shares held shall be calculated as of the date when the shareholders make the written request);
- when the Board considers it necessary;
- when the Audit and Risk Committee proposes such a meeting be held;
- other circumstances stipulated by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

Convening of the General Meeting

The board of directors shall convene the shareholders’ meeting on time within the prescribed period. With the consent of more than half of all independent directors, independent directors shall have the right to propose to the Board to convene an extraordinary general meeting (EGM). For the proposal of independent directors of convening an EGM, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, give a written feedback on whether it consents to convene the EGM or not within ten days upon receipt of the proposal.

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If agreeing to convene an EGM, the Board shall, within five days after the Board resolution is made, issue a notice calling for the general meeting. If the Board does not agree to convene such meeting, the reasons shall be stated and announced.

The Audit and Risk Committee has the right to propose to the Board to convene an EGM, and shall make such proposal in writing. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, give a written feedback on whether it consents to convene the EGM or not within ten days upon receipt of the proposal.

When the Board of Directors agrees to convene an EGM, the Board of Directors shall, within 5 days after the Board resolution is made, issue a notice calling for the general meeting. Changes in the original proposal in the notice shall be subject to the approval of the Audit and Risk Committee.

When the Board of Directors does not agree to convene an EGM, or does not provide written feedback within 10 days upon receipt of the proposal, the Board of Directors shall be considered to be unable or fail to perform the duty of convening an EGM. The Audit and Risk Committee may convene and preside over the meeting on its own.

The shareholders who individually or jointly hold more than 10% of the shares of the Company shall have the right to propose to the Board of Directors for convening of an EGM, and shall make such request to the Board of Directors in writing. The Board of Directors, pursuant to the provisions of laws, administrative regulations, Hong Kong Listing Rules and regulatory rules of the place where the Company's shares are listed and the Articles of Association, make a decision on whether to convene the EGM or not within ten days upon receipt of the request and provide a written reply to the shareholders.

When the Board of Directors agree to convene an extraordinary general meeting, it shall, within five days after the Board resolution is made, issue a notice calling for the general meeting. Changes in the original proposal in the notice shall be subject to the approval of the relevant shareholders.

When the Board of Directors do not agree to convene an extraordinary general meeting, or do not provide feedback within ten days upon receipts of the request, shareholders who individually or collectively holding more than 10% of the Company's shares, are entitled to propose to the Audit and Risk Committee that an EGM be held; any such request to the Audit and Risk Committee shall be made in writing.

Where the Audit and Risk Committee agrees to hold an EGM, it shall send out a notice of general meeting within five days of receiving the request. No change shall be made to the original proposal in the notice unless approved by the corresponding shareholders.

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Where the Audit and Risk Committee fails to send out a notice of general meeting within the stipulated period of time, it shall be deemed to have failed to convene and preside over the general meeting, and shareholders individually or collectively holding 10% or more of the Company shares for 90 consecutive days or more may convene and preside over the meeting themselves.

Proposals and Notices of General Meetings

When the Company convenes the general meeting, the Board of Directors, Audit and Risk Committee and shareholders holding not less than 1% of the shares of the Company individually or collectively are entitled to submit proposals to the Company.

The shareholders holding more than 1% of the shares of the Company individually or collectively may raise temporary proposal and submit it to the convener in writing 10 days before the general meeting is held. The convener shall supplement the notice of general meeting in 2 days after receiving the proposal and publicize the content of the temporary proposal, and submit the temporary proposal to the shareholders’ meeting for deliberation. However, temporary proposals that violate laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s stocks are listed, or the Company’s articles of association, or are not within the terms of reference of the shareholders’ meeting, are excluded.

Save as the cases specified in the preceding paragraph, the convener shall neither revise the proposals set out in the notice of general meetings nor add new proposals after issuing the notice of general meeting.

The general meeting shall not vote or make resolutions on proposals that are not listed in the notice of the general meeting or that are not in conformity with the provisions of the Articles of Association.

Holding of general meetings

All the shareholders or their proxies registered on the record date of equity shall be entitled to attend the shareholders’ meeting and exercise their voting rights in accordance with relevant laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the company’s stocks are listed and these articles of association.

The general meeting shall be presided over by the Chairman of the Board of Directors. If the Chairman of the Board of Directors is unable or fails to perform his/her duties, the Deputy Chairman of the Board of Directors shall preside over the meeting; and if the Deputy Chairman is unable or fails to perform his/her duties, a director elected by a majority of the directors shall preside over the meeting.

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A general meeting convened by the Audit and Risk Committee shall be presided over by the convener. If the convener is unable or fails to perform his/her duties, a member of the Audit and Risk Committee elected by more than half of the members of the Audit and Risk Committee shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be chaired by the convener or his/her selected representative.

During the course of a general meeting, if the chairperson of a meeting violates the rules of procedure and makes it impossible for the shareholders' meeting to proceed, with the consent of more than half of the shareholders with voting rights present at the shareholders' meeting, the shareholders' meeting may elect one person to serve as the chairperson of the meeting, and continue the meeting.

Voting and Resolutions of General Meetings

The resolutions of a general meeting are classified into ordinary ones and special ones.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

- work reports of the Board of Directors;
- profit distribution proposals and proposals for making up losses formulated by the Board of directors;
- appointment, removal and remuneration of the members of the Board of Directors and the method of payment of the remuneration;
- appointment, dismissal or non-renewal of the appointment of the accounting firm and its remuneration;
- other matters other than those that shall be resolved by special resolutions according to laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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The following matters shall be resolved by way of special resolution of the general meeting:

- increase or reduction of the Company's registered capital;
- separation, division, merger, dissolution and liquidation of the Company;
- amendments to the Articles of Association;
- the Company's purchase and disposal of material assets within one year or provision of guarantee to others with an amount exceeding thirty percent of the latest audited total assets of the Company;
- the equity incentive plan;
- make resolutions on the issuance of corporate bonds or other securities and the listing plan;
- other matters required to be resolved by way of a special resolution by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and matters which, according to an ordinary resolution of the general meeting, may have a significant impact on the Company and shall be resolved by way of a special resolution.

6. DIRECTORS AND THE BOARD

Directors

Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office. The Directors have a tenure of three years and can be re-elected upon the expiry of the tenure. Directors represented by employee representatives are elected by the Company's employees through the employee representative assembly, the employee general assembly or other forms of democratic election, and do not need to be submitted to the shareholders' meeting for deliberation.

The term of office of directors shall last from the date on which the directors take office to the expiration of the term of office of the current Board of Directors. If a director is not re-elected in time upon expiration of his/her term of office, such director, before the new elect takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, department rules, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the articles of association.

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A director may be the general manager or other senior officer concurrently, provided that the total number of directors who concurrently serve as the general manager or other senior officers and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

Board of Directors

The company shall establish a board of directors, which shall consist of no more than nine directors, including one employee representative director. The proportion of independent non-executive directors among the Board members shall not be less than one-third. The company shall have one Chairman and may have a Deputy Chairman. The Chairman and the Deputy Chairman shall be elected by the Board of Directors with a majority of all the directors.

The Board shall exercise the following functions and powers:

- to convene general meetings and presenting reports thereto;
- to implement the resolutions adopted by the general meeting;
- to decide on the Company's business plans (covering the Company and its controlled subsidiaries (hereinafter referred to as the "Group Company")) and investment plans;
- to formulate the profit distribution plan and loss recovery plan of the Company;
- to formulate the plans of increasing or decreasing the Company's registered capital, issuing corporate bonds or other securities, and going public;
- to draw up the plans for major acquisitions of the Company, the purchase of its own shares or merger, division, dissolution or change of corporate form of the Company;
- to decide, within the scope authorized by the shareholders' meeting, on matters such as the Company's external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management, connected transactions, and external donations;
- to determinate the setup of the Company's internal management structure;
- to appoint or dismiss the general manager, secretary to the Board and other senior officers of the Company, and decide on matters of remuneration, rewards and punishments; to appoint or dismiss senior officers such as deputy general manager and chief financial officer according to the nomination of the general manager, and decide on matters of remuneration, rewards and punishments;
- to formulate the basic management system of the Company;

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- to formulate proposals for any amendment to the Articles of Association;
- to manage the information disclosure of the Company;
- to propose to the general meeting to engage or replace the accounting firm that provides audit for the Company;
- to debrief the work report of the general manager of the Company and inspect the works of the general manager; and
- any other functions and powers granted by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

Special Committees of the Board of Directors

The Board of Directors of the Company establishes an Audit and Risk Committee to exercise the powers and functions of the Supervisory Board as stipulated in the Company Law.

The Audit and Risk Committee consists of three members, who are non-executive directors and do not hold senior management positions in the Company. Among them, there are two independent directors, and the Committee is chaired by an independent director.

The Board of Directors of the Company shall establish other special committees such as strategy and investment, nomination, remuneration and appraisal, etc., which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. The proposals of the special committees shall be submitted to the Board of Directors for review and decision. The working procedures of the special committees shall be formulated by the Board of Directors. The chairperson and composition of the Nomination Committee and the Remuneration and Appraisal Committee shall comply with the relevant requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the relevant regulatory authorities.

7. SENIOR OFFICERS

The Company has a general manager, a number of deputy general managers, a chief financial officer and a secretary to the Board of Directors, all of whom shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general manager, secretary to the Board of Directors and chief financial officer are the senior officers of the Company.

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

- to be in charge of the Company's production, operation and management, organize the implementation of resolutions of the Board of Directors, and report to the Board of Directors;
- to organize the implementation of the Company's annual business plans and investment plans;
- to prepare the proposal for the setup of the Company's internal management structure;
- to prepare the Company's basic management system;
- to formulate the detailed rules and regulations of the Company;
- to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager and chief financial officer;
- to decide to appoint or dismiss the responsible management personnel other than those to be appointed or dismissed by the Board of Directors;
- other functions and powers granted by the Articles of Association or the Board of Directors.

The general manager shall attend the meetings of the Board. If the general manager does not serve as a director of the Company, he/she shall not have the voting right at the Board meetings.

8. QUALIFICATIONS OF DIRECTORS AND SENIOR MANAGEMENT

The directors and senior management of the Company shall be natural persons. A person in any of the following categories shall not serve as a director or senior management of the Company:

- persons without capacity or with limited capacity for civil conduct;
- persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the order of a socialist market and economy, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence, or in case of a suspended sentence, not more than two years have elapsed since the date of expiration of the probationary examination period;

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- persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises and is personally liable for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and were ordered to close down, and who were personally liable for the revocation of business license of such company or enterprise, where less than three years have elapsed since the date of the revocation of business license or being ordered to close down of such company or enterprise;
- persons who have been listed by the People's Court as a party subject to execution in breach of trust as he/she has failed to settle a debt of a relatively large amount by the due date;
- persons who are imposed by the CSRC a ban from entering the securities market for a period which has not yet expired;
- other requirements stipulated in the laws, administrative regulations, departmental rules, other normative documents, Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

Election, appointment or employment of directors in violation of the above provisions shall be invalid. In the event that the circumstances as stipulated in this Article arise during the term of office of any Director, the Company shall dismiss the relevant person and cease him/her from performing his/her duties.

9. FINANCIAL ACCOUNTING SYSTEMS

The Company shall formulate its own financial accounting systems in accordance with laws, administrative regulations, and rules of the relevant authorities of the State. Where the securities regulatory authority of the place where the Company's shares are listed stipulates otherwise, such provisions shall prevail.

The Company shall prepare the Company's annual financial accounting report within four months after the end of each fiscal year and its interim financial accounting report within two months from the end of the first half of each fiscal year. The above-mentioned financial accounting reports shall be prepared, submitted, announced and disclosed in accordance with the relevant 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.

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10. PROFIT DISTRIBUTION

When the Company distributes the after-tax profits of the current year, it shall withdraw and allocate 10% of the profits into the statutory reserve fund. If the accumulated amount of the statutory reserve fund reaches 50% or more of the Company's registered capital, the Company is released from the obligation of making further withdrawal.

Where the statutory reserve fund of the Company is not sufficient to recover its losses in the previous years, the profits of the current year shall be used to make up the loss before withdrawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After making allocation to the statutory reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions passed at the general meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.

The remaining after-tax profits of the Company after making up the losses and withdrawing the reserve may be distributed according to the proportion of shares held by shareholders, unless otherwise provided in the Articles of Association.

In the event that the shareholders' meeting violates the Company Law by distributing profits to shareholders, the shareholders shall return the profits distributed in violation of the regulations to the Company. If losses are caused to the company, shareholders and the directors and senior management who are responsible shall bear the liability for compensation.

No profits shall be distributed in respect of the Company's Shares held by the Company.

11. APPOINTMENT OF ACCOUNTING FIRMS

The Company shall engage an accounting firm that complies with the provisions of the Securities Law, Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed to conduct audits of financial statements, net asset verification, and offer other relevant consulting services. The term of engagement of such accounting firm shall be one year, which is renewable.

The appointment and dismissal of the Company's accounting firm shall be submitted to the Board of Directors for deliberation and decided by the general meeting after being approved by a majority of all the members of the Audit and Risk Committee. The Board of Directors shall not appoint an accounting firm prior to the decision of the general meeting.

12. DISSOLUTION AND LIQUIDATION

The Company shall be dissolved for the following reasons:

- business term specified in the Articles of Association expires or the occurrence of other causes of dissolution provided for in these Articles of Association;

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- the general meeting resolves to dissolve the Company;
- a dissolution is required due to merger or division of the Company;
- the Company is revoked of business license according to law, or ordered to close down or canceled;
- there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders holding an aggregate of ten percent or more of the voting rights of all shareholders of the Company may make a petition to the People's Court to dissolve the Company.

If the Company is dissolved for any of the reasons as prescribed in the preceding paragraph, it shall, within ten days, make public the reason for dissolution through the National Enterprise Credit Information Publicity System.

If the Company is in the situation set forth in paragraphs 1 and 2 of the preceding article and has not yet distributed its property to its shareholders, it may survive by amending its Articles of Association or by a resolution of the general meeting. Amendments to the Articles of Association or resolutions of general meeting made in accordance with the provisions of the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting.

In the event that the Company is dissolved under the circumstances set forth in paragraphs 1, 2, 4 and 5 of the preceding Article, it shall be liquidated. The directors shall be the Company's liquidation obligors and shall establish a liquidation committee to carry out the liquidation within fifteen days from the date on which the cause of dissolution arises. The liquidation committee shall consist of the directors, unless otherwise provided for in the Articles of Association or the general meeting resolves to elect other persons.

The liquidation committee shall notify the creditors within ten days from the date of its establishment and make a public announcement in a newspaper at or above the provincial level or in the National Enterprise Credit Information Publicity System within sixty days. The creditors shall declare their credit rights to the liquidation committee within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if the creditors have not received the notice. When declaring the creditors' rights to the liquidation committee, the creditors shall explain the relevant matters of the creditors' rights and provide supporting materials. The liquidation committee shall register the credit rights. During the period of application for credit rights, the liquidation committee shall not make any settlement with the creditors.

After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

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The remaining assets of the Company's property after payment of liquidation expenses, employees' salaries, social insurance costs and statutory compensation, payment of taxes owed and settlement of the Company's debts, respectively, shall be distributed by the Company in accordance with the proportion of shares held by the shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation.

The property of the Company shall not be distributed to shareholders until all liabilities have been settled in accordance with the provisions of the preceding paragraph.

If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and schedule of assets, finds that the Company's property is insufficient to settle its liabilities in full, it shall file an application for bankruptcy and liquidation with the People's Court in accordance with the laws.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting or the people's court for confirmation, and shall submit it to the company registration authority to apply for cancellation of the registration of the Company.

13. AMENDMENT TO THE ARTICLES OF ASSOCIATION

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

- After the amendment of the Company Law or relevant laws, administrative regulations, Hong Kong Listing Rules and the other securities regulatory rules of the place where the Company's share are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's share are listed;
- There has been a change to the Company, resulting in inconsistency with the content in the Articles of Association;
- The general meeting approves to amend the Articles of Association.