

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides [REDACTED] with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to [REDACTED].

SHARES

Issuance of Shares

The Shares of the Company shall be in the form of share certificates. The share certificates of the Company shall be in registered form.

The Company shall issue Shares in an open, equitable and fair manner, and each of the Shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. All entities and individuals subscribing for such Shares shall pay the same price per share.

Shares issued by the Company to domestic investors and subscribed for in Renminbi are referred to as domestic shares. Shares issued to foreign investors and subscribed for in foreign currencies are referred to as foreign shares. Foreign shares that are listed overseas are referred to as overseas-listed foreign shares.

The Shares issued by the Company are denominated in RMB, with a par value of RMB1 per share.

The H Shares issued by the Company are subject to the relevant registration and depository regulations of the overseas listing jurisdiction.

Following the Company’s issuance and listing of Shares overseas, Shareholders may, in accordance with applicable laws, administrative regulations and departmental rules, transfer all or part of their Shares to overseas investors for listing and trading on overseas securities exchanges. Shareholders may also convert their unlisted shares into overseas-listed shares for listing and trading on overseas securities exchanges. Shares listed and traded on overseas securities exchanges shall comply with the regulatory procedures, rules, and requirements of both the domestic and overseas securities markets. The transfer of Shares for listing and trading on overseas securities exchanges, or the conversion of unlisted shares into overseas-listed shares for listing and trading on overseas securities exchanges, shall not require approval by a Shareholders’ general meeting. Upon conversion, the unlisted shares shall be of the same class as the original overseas-listed foreign shares.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase and Reduction of Shares

In light of the Company’s operational and developmental needs, the Company may increase its capital in accordance with the laws, regulations and the securities regulatory rules of the place where the Company’s Shares are listed, and subject to a separate resolution of the Shareholders’ general meeting, by any of the following methods:

- (i) offering of shares to non-specific targets;
- (ii) offering of shares to specific targets;

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- (iii) allotment of bonus Shares to existing Shareholders;
- (iv) conversion of reserve into share capital;
- (v) other methods permitted by laws, administrative regulations, the CSRC, and the securities regulatory rules of the place where the Company’s Shares are listed.

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 securities regulatory rules of the place where the Company’s Shares are listed and other relevant regulations, as well as the Articles of Association.

Repurchase of Shares

The Company may repurchase its Shares in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange, and the Articles of Association under the following circumstances:

- (i) to reduce the registered capital of the Company;
- (ii) to merge with other companies that hold Shares in the Company;
- (iii) to use the Shares for employee shareholding schemes or as share incentives;
- (iv) to acquire the Shares of Shareholders (upon their request) who vote against any resolution adopted at any Shareholders’ general meeting on the merger or division of the Company;
- (v) to use the Shares to satisfy the conversion of those corporate bonds convertible into Shares issued by the Company;
- (vi) to safeguard corporate value and Shareholders’ equity as the Company deems necessary.

Except under the above circumstances, the Company shall not repurchase its own Shares.

The Company may repurchase its own Shares through centralized public trading or by other methods permitted under laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company’s Shares are listed, and the CSRC (if applicable).

Where the Company acquires its own Shares under the circumstances specified in Article 25(i) and (ii) of the Articles of Association, such acquisition shall be subject to a resolution of the Shareholders’ general meeting. Where the Company acquires its Shares pursuant to items (iii), (v), and (vi), such acquisition shall be approved by a resolution of the Board of Directors, passed by more than two-thirds of all Directors present, in accordance with the Articles of Association or the authorization granted by the Shareholders’ general meeting.

Where the Company acquires its Shares under the circumstance specified in Article 25 (i) of the Articles of Association, it shall cancel the Shares within 10 days of the purchase date. If the acquisition falls under items (ii) or (iv), the Company shall transfer or cancel the Shares within six months. For acquisitions under items (iii), (v), or (vi), the total number of Shares held by the Company shall not exceed 10% of the total issued Shares of the Company, and such Shares shall be transferred or canceled within three years.

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Transfer of Shares

The Shares of the Company shall be transferred in accordance with laws. All transfers of the H Shares shall adopt written instruments of transfer in the ordinary or general form or in any other form acceptable to the Board of Directors (including the standard transfer form or any transfer form prescribed by the Hong Kong Stock Exchange from time to time); such instruments of transfer may only be signed manually or stamped with effective seal of the company (if the transferor or the transferee is a company). If the transferor or transferee is a recognized clearing house or its agents as defined in the relevant regulations in force under the laws of Hong Kong from time to time, the instrument of transfer may be executed manually or in machine-printed form. Each instrument of transfer shall be kept at the legal address of the Company or such other place as the Board of Directors may appoint from time to time.

The Company shall not accept its own Shares as the subject matter of a mortgage.

Shares issued prior to the Company's public offering shall not be transferred within one year from the date the Company's Shares are listed and traded on a stock exchange.

A Director or senior management of the Company shall declare to the Company the number of Shares of the Company held by him or her, as well as any changes in such holdings. During their term of office, the number of Shares they transfer each year shall not exceed 25% of the total number of Shares of the same class held by them in the Company. Shares held by such individuals shall not be transferred within one year from the date the Company's Shares are listed and traded on a stock exchange. Within six months after leaving office, they shall not transfer any Shares of the Company held by them.

Any gains from sale of the Company's Shares or other securities with an equity nature by the Shareholders who hold 5% or more of the Company's Shares, Directors and senior management within 6 months after their purchase of the same, and any gains from the purchase of the Shares or other securities with an equity nature by any of the aforesaid parties within 6 months after their sale of the same, shall belong to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, other circumstances shall be excluded where a securities company holds 5% or more of the Shares due to its purchase of any remaining Shares under best efforts underwriting ,or in other circumstances specified by the CSRC, and the securities regulatory rules of the place where the Company's Shares are listed, and the abovementioned Shareholders holding more than 5% of the Company's Shares shall not include recognized clearing houses and their nominees as defined in the relevant regulations in effect from time to time under the laws of Hong Kong. If the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Shares or other securities with the nature of equity held by Directors, senior management and natural person Shareholders as mentioned in the preceding paragraph include Shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the provisions of paragraph 1 of this Article, the Shareholders shall be entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to implement within the aforesaid period, the Shareholders shall be entitled to initiate litigation directly in the people's court in their own names for the interest of the Company.

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If the Board of Directors of the Company fails to implement the provisions of paragraph 1 of this Article, the responsible Directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS’ GENERAL MEETING

Shareholders

The Company shall maintain a register of members based on the records provided by the securities registrar. The register of members shall serve as sufficient evidence of a Shareholder’s ownership of the Company’s Shares. Shareholders shall enjoy rights and assume obligations in accordance with the class of Shares they hold, and Shareholders holding the same class of Shares shall be entitled to identical rights and subject to identical obligations.

The transfer and change of ownership of Shares shall be recorded in the register of members. The original register of members for overseas-listed foreign Shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a copy of the register of members of overseas-listed foreign-invested Shares at its registered office. The overseas agent entrusted shall ensure that the original and the copy of the register of members of overseas-listed foreign-invested Shares are consistent at all times. The register of members maintained in Hong Kong shall be available for inspection by Shareholders; however, the Company may close the register of members in accordance with the provisions equivalent to the Section 632 of the Companies Ordinance (Cap. 622 of Hong Kong).

In the event of loss of any share certificate held by any Shareholder recorded in the register of H Shareholders or any person who requests the Company to enter his/her name in the register of H Shareholders, such Shareholder or person may request the Company to issue a new share certificate for the Shares. In the event of loss of any share certificate by any Shareholder of overseas-listed foreign Shares, such Shareholder may request the Company to handle in accordance with the laws, rules of stock exchange and other applicable regulations of the place where the original register of members of overseas-listed foreign Shares is maintained.

When it is necessary for the Company to identify Shareholders for purposes such as convening a Shareholders’ general meeting, distributing dividends, or conducting liquidation, the Board of Directors or the convener of the Shareholders’ general meeting shall determine an equity registration date. Shareholders whose names are registered on the equity registration date shall be the Shareholders entitled to the relevant rights and interests.

Shareholders of the Company shall have the following rights:

- (i) to receive dividends and other forms of profit distribution in proportion to the number of Shares they hold;
- (ii) to request the holding of, to convene, to preside over, and to attend Shareholders’ general meetings in person or by proxy, and to exercise corresponding voting rights in accordance with the law;
- (iii) to supervise the Company’s operations and to make suggestions or inquiries;
- (iv) to transfer, grant, or pledge their Shares in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed, and the Articles of Association;

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- (v) to inspect and copy the Articles of Association, the register of members, corporate bond stubs, minutes of Shareholders' general meetings, resolutions of the Board meetings, financial and accounting reports. Shareholders who meet the requirements of the Articles of Association may inspect the accounting books and vouchers of the Company;
- (vi) to participate in the distribution of the Company's residual assets in proportion to their shareholdings upon termination or liquidation of the Company;
- (vii) to require the Company to repurchase their Shares if they dissent from a resolution of the Shareholders' general meeting on merger or division of the Company;
- (viii) to enjoy other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

Shareholder(s) individually or jointly holding more than 3% of the Company's Shares continuously for at least 180 days may request in writing to inspect the Company's accounting books and accounting vouchers, stating the purpose of the inspection. If the Company has reasonable grounds to believe that the Shareholder's request is made for an improper purpose and may prejudice the Company's legitimate interests, it may deny the request and shall issue a written response to the Shareholders within fifteen days upon delivery of the written request by the shareholders, providing the reasons for refusal. If the Company refuses to provide access, the Shareholders may initiate legal proceedings in a people's court.

Shareholders may engage accounting firms, law firms, or other agencies to inspect the materials referred to in the preceding paragraph.

Shareholders, as well as any accounting firms, law firms, or other agencies engaged by them, shall comply with applicable laws and administrative regulations concerning the protection of state secrets, trade secrets, personal privacy, and personal information when reviewing or copying relevant materials.

Where Shareholders request to inspect or copy materials related to the Company's wholly-owned subsidiaries, the provisions of the preceding three paragraphs of the Article and item (v) of Paragraph 1 of Article 34 of the Articles of Association shall apply.

In reviewing or copying such materials, Shareholders shall comply with the Company Law and the Securities Law and other applicable laws and administrative regulations.

When requesting to inspect or access the materials specified in the preceding Article, Shareholders shall submit written documentation evidencing the type and quantity of Shares they hold. Upon verification of the Shareholder's identity, the Company shall provide the requested information or materials in accordance with the Shareholder's request.

In the event that the content of a resolution adopted by a Shareholders' general meeting or a Board meeting violates any law or administrative regulation, Shareholders shall have the right to request a people's court to declare the resolution void.

If the convening procedures or voting methods of a Shareholders' general meeting or a Board meeting violate any law, administrative regulation, or the Articles of Association, or if the content of a resolution violates the Articles of Association, Shareholders may, within 60 days from the date the

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resolution is passed, request a people's court to revoke the resolution. However, if the procedural irregularities in the convening or voting are minor and have not had a substantive impact on the outcome of the resolution, the resolution shall remain valid.

Shareholders who were not notified of the Shareholders' general meeting may, within 60 days from the date they became aware or should have become aware of the resolution, request a people's court to revoke the resolution. However, if the right of revocation is not exercised within one year from the date the resolution was adopted, such right shall be extinguished.

If the Board of Directors, Shareholders, or other relevant parties have disputes regarding the validity of the Shareholders' general meeting resolutions, they should promptly file a lawsuit in the people's court. Before the people's court makes a judgment or ruling such as revoking the resolution, the relevant parties shall implement the resolution of the Shareholders' general meeting. The Company, Directors, and senior management should diligently perform their duties to ensure the normal operation of the Company.

In the event that any Director or senior management other than members of the Audit Committee, in the course of performing their duties, violates laws, administrative regulations, or the provisions of the Articles of Association, thereby causing losses to the Company, Shareholder(s) individually or jointly holding 1% or more of the Company's Shares continuously for at least 180 days shall have the right to request the Audit Committee in writing to initiate legal proceedings in a people's court. In the event that the members of the Audit Committee, in the course of performing its duties, violates laws, administrative regulations, or the provisions of the Articles of Association, thereby causing losses to the Company, the aforementioned Shareholders may request the Board of Directors in writing to initiate legal proceedings in a people's court.

If the Audit Committee and the Board of Directors, after receiving such a Shareholders' written request stipulated in the preceding paragraph, refuse to initiate legal proceedings, or fail to do so within 30 days of receiving the request, or if the matter is urgent and failure to act immediately would cause irreparable harm to the Company's interests, the Shareholders referred to in the preceding paragraph shall have the right to directly initiate legal action in a people's court in their own name for the benefit of the Company.

In the event that any person infringes upon the lawful rights and interests of the Company and causes losses to the Company, the Shareholders specified in the first paragraph of this Article may initiate legal proceedings in a people's court in accordance with the provisions of the preceding two paragraphs.

Where the Directors, supervisors, or senior management of a wholly-owned subsidiary of the Company commit acts falling within the scope of the preceding Article, or where any other person infringes upon the lawful rights and interests of such wholly-owned subsidiary, resulting in losses, Shareholder(s) individually or jointly holding 1% or more of the Company's Shares continuously for at least 180 days may, in accordance with the provisions of the preceding three paragraphs, request the Board of Supervisors or Board of Directors of the wholly-owned subsidiary in writing to initiate legal proceedings in the people's court, or may directly initiate legal proceedings in a people's court in their own name.

Where any Director or senior management violates laws, administrative regulations, or the provisions of the Articles of Association, thereby causing damage to the interests of a Shareholder, the affected Shareholder may file legal proceedings in a people's court.

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Shareholders of the Company shall fulfill the following obligations:

- (i) complying with laws, administrative regulations, and the Articles of Association;
- (ii) paying the capital contribution in accordance with the Shares subscribed and the method of equity participation;
- (iii) refraining from withdrawing its share capital, except as permitted by laws or regulations;
- (iv) refraining from abusing Shareholders’ rights to harm the interests of the Company or other Shareholders, and from abusing the Company’s independent legal person status or the limited liability of Shareholders to prejudice the interests of the Company’s creditors;
- (v) fulfilling other obligations prescribed by laws, administrative regulations and the Articles of Association.

The controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations and the securities regulatory rules of the place where the Company’s Shares are listed, so as to safeguard the interests of the Company.

Where controlling shareholders and actual controllers pledge the Company’s stocks they hold or actually control, they shall maintain the Company’s control rights and the stability of its production and operation.

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General Provisions of Shareholders' General Meeting

Shareholders' general meeting is the organ of authority of the Company, which exercises its functions and powers according to the law:

- (i) to elect and replace Directors, who are not employees' representatives, and to determine their remuneration;
- (ii) to consider and approve the reports of the Board of Directors;
- (iii) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (iv) to resolve on any increase or reduction of the Company's registered capital;
- (v) to resolve on the issuance of corporate bonds;
- (vi) to resolve on matters such as the merger, division, dissolution, liquidation and change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to resolve on Company's appointment and removal of an accounting firm undertaking the Company's audit work;
- (ix) to consider and approve the guarantees as provided in Article 47;
- (x) to consider and approve matters concerning the acquisition or disposal of significant assets by the Company within one year exceeding 30% of the latest audited total assets of the Company;
- (xi) to consider and approve matters concerning any change to the use of proceeds;
- (xii) to consider and approve equity incentive plans and employee stock option plans;
- (xiii) to consider and approve other matters required resolutions from Shareholders' general meeting provided by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The functions and powers of the above-mentioned Shareholders' general meeting shall not be exercised by the Board of Directors or other institutions or individuals by way of authorization.

The following external guarantees to be provided by the Company must be considered and approved by the Shareholders' general meeting:

- (i) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiary exceeds 50% of the latest audited net assets of the Company;
- (ii) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;
- (iii) any guarantee to be provided to a party which has an asset-liability ratio of over 70%;

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- (iv) any single guarantee with an amount exceeding 10% of the latest audited net assets;
- (v) any guarantee to be provided to Shareholders, actual controllers and their related (connected) parties;
- (vi) any guarantee provided by the Company to others within one year exceeds 30% of the latest audited total assets of the Company;
- (vii) other circumstances as required by laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

When considering the guarantee in item (vi) of the preceding paragraph, it shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the Shareholders' general meeting.

When the resolution on providing guarantee for Shareholders, actual controllers and their related (connected) parties is considered at a Shareholders' general meeting, such Shareholder or Shareholders controlled by such actual controller shall not participate in the voting, and the resolution shall be passed by more than half of the voting rights held by other Shareholders present at the Shareholders' general meeting.

If the Directors and senior management violate the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association regarding the approval authority and review procedures for external guarantees and cause losses to the Company, they shall bear liability for compensation and the Company may bring lawsuits against them in accordance with the law.

Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year within 6 months after the end of the previous fiscal year.

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

- (i) when 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;
- (ii) when the Company's unrecovered losses amount to one-third of the total paid-in share capital;
- (iii) when any Shareholder(s) holding individually or collectively 10% or more of the Company's Shares request(s) to do so;
- (iv) when deemed necessary by the Board of Directors;
- (v) when proposed by the Audit Committee;
- (vi) other circumstances as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

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Convening of Shareholders’ General Meeting

With the consent of more than half of all independent non-executive Directors (hereinafter referred to as the “**independent Directors**”), independent Directors shall be entitled propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of independent Directors for convening an extraordinary general meeting, the Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association, give written feedback on whether to agree or not to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of such meeting within 5 days after the Board resolution is passed. If the Board of Directors does not agree to convene an extraordinary general meeting, it shall give reasons.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association, give written feedback on whether to agree or not to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within 5 days after the resolution is passed by the Board of Directors. Any changes to the original proposals in the notice shall be approved by the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duties of convening such meeting, and the Audit Committee may convene and preside over the meeting on its own.

Any Shareholder(s) individually or jointly holding 10% or more of Shares of the Company may submit a written requisition to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within 5 days after the resolution is passed by the Board of Directors. Any changes to the original requests in the notice shall be subject to the consent of the relevant Shareholders.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the request, the Shareholder(s) individually or jointly holding 10% or more of the Shares of the Company with voting rights shall have the right to propose to the Audit Committee to convene an extraordinary general meeting. Requests shall be submitted to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within 5 days upon receipt of the request. Any changes to the original proposals in the notice shall be subject to the consent of the relevant Shareholders.

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If the Audit Committee fails to issue a notice of the Shareholders' general meeting within the prescribed time limit, the Audit Committee shall be deemed not to convene and preside over the Shareholders' general meeting, and Shareholder(s) individually or jointly holding 10% or more of the Shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its own.

If the Audit Committee or the Shareholders decide to convene a Shareholders' general meeting on their own, they shall notify the Board of Directors in writing before issuing the notice of the Shareholders' general meeting. Before the resolutions of the Shareholders' general meeting are announced, the shareholding ratio of the convened Shareholders shall not be less than 10%.

For the Shareholders' general meeting convened by the Audit Committee or Shareholders on their own, the Board of Directors and the secretary to the Board will provide cooperation. The Board of Directors shall provide the register of members as at the equity registration date.

For a Shareholders' general meeting convened by the Audit Committee or the Shareholders on their own, the Company shall bear the expenses necessary for the meeting.

Proposals and Notices for Shareholders' General Meetings

Proposals submitted to the Shareholders' general meeting shall fall within its scope of functions, address clearly topics and specific matters for resolution, and comply with relevant requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed, and the Articles of Association.

At a Shareholders' general meeting of the Company, the Board of Directors, the Audit Committee, and any Shareholder individually or collectively holding 1% or more of the Company's Shares shall have the right to submit proposals to the Company.

Subject to the provisions of the securities regulatory rules of the place where the Company's Shares are listed, Shareholders who individually or collectively hold 1% or more of the Company's Shares may submit a written interim proposal to the meeting convener no later than 10 days prior to the date of the Shareholders' general meeting. Such interim proposals shall include clearly topics and specific matters for resolution. The convener shall, within two days of receiving the interim proposal, issue a supplementary notice of the Shareholders' general meeting unless the interim proposal violates laws, administrative regulations, or the Articles of Association, or falls outside the scope of functions the Shareholders' general meeting.

Except under the circumstances specified in the preceding paragraph and in compliance with the requirements of the securities regulatory rules of the place where the Company's Shares are listed, once the notice of a Shareholders' general meeting has been issued, the convener shall not amend any proposal set forth in the notice or introduce any new proposals.

Any proposal not included in the notice of the Shareholders' general meeting or not in compliance with Article 59 of the Articles of Association shall not be submitted for voting and resolution at the Shareholders' general meeting.

Subject to the compliance with laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed, for an annual general meeting, the convener shall notify all Shareholders in writing at least 21 days prior to the date of the meeting; for an extraordinary

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general meeting, the convener shall give written notice to all shareholders at least 15 days in advance. In calculating the notice periods, the date of the Shareholders' general meeting shall be excluded but the issuance date of the notice shall be included.

A notice of a Shareholders' general meeting shall include the following:

- (i) the time, venue, and duration of the meeting;
- (ii) the matters and proposals to be submitted for consideration at the meeting;
- (iii) a clear written statement that all Shareholders are entitled to attend the Shareholders' general meeting and may appoint a proxy in writing to attend and vote on their behalf, and that a proxy needs not be a Shareholder of the Company;
- (iv) the equity registration dates of Shareholders entitled to attend the Shareholders' general meeting;
- (v) the name and contact number of the designated contact person for the meeting;
- (vi) the voting time and procedures for voting online or by other means;
- (vii) any other matters required under laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

The notice of the Shareholders' general meeting and any supplementary notice shall sufficiently and thoroughly disclose the complete details of all proposals.

After the notice of a Shareholders' general meeting has been issued, the meeting shall not be postponed or canceled without justifiable reasons, and the proposals specified in the notice shall not be withdrawn. In the event of a postponement or cancellation, the convener shall give notice with explanation of the reasons at least two business days prior to the originally scheduled meeting date.

Holding of Shareholders' General Meetings

All Shareholders whose names appear on the register of members as of the equity registration date or their proxies are entitled to attend the Shareholders' general meeting and exercise their voting rights in accordance with applicable laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed, and the Articles of Association.

Shareholders may attend the Shareholders' general meeting in person or appoint proxies to attend and vote on their behalf, except for individual Shareholders who are required to abstain from voting on specific matters under the securities regulatory rules of the place where the Company's Shares are listed.

If a Shareholder appoints a proxy to attend a meeting, the proxy's attendance shall be deemed the Shareholder's personal attendance. The Shareholder proxy may exercise the following rights as per the authorization of the Shareholder:

- (i) the right of the Shareholder to speak at the Shareholders' general meeting;
- (ii) the right to demand a poll, either alone or jointly with others;

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- (iii) the right to vote either by show of hands or by poll. If a Shareholder appoints more than one proxy, such proxies may only vote by poll.

Individual Shareholders attending the meeting in person shall present their identity card or other valid identification documents or proof of identity. Where a proxy is appointed to attend the meeting on behalf of others, the proxy shall present valid identification documents and the proxy form authorized by the Shareholders.

A corporate shareholder/or other institutional shareholder shall be represented at the meeting by their legal representative/ executive partner, or a proxy authorized by such legal representative/executive partner, or a person authorized by a resolution of its board of directors or other decision-making body. If the legal representative/executive partner attends the meeting in person, they shall present their own identity card and valid documentation evidencing their status as the legal representative/executive partner. If a proxy attends the meeting on their behalf, the proxy shall present their own identity card and a written power of attorney issued in accordance with the law by the legal representative or executive partner, board of directors or other decision-making body of the corporate shareholder/or other institutional shareholders.

If a Shareholder is a recognized clearing house (or its agent) as defined under the applicable regulations of Hong Kong from time to time, such Shareholder may authorize the representative of the company or such person or persons as it deems appropriate to act as its representative(s) at any Shareholders' general meeting. However, if more than one person is so authorized, the power of attorney or authorization letter shall specify the number and type of Shares represented by each person under the authorization, and the authorization letter shall be signed by an authorized officer of the recognized clearing house. Persons so authorized may attend Shareholders' general meetings on behalf of the recognized clearing house (or its agent) and exercise the same statutory rights as other Shareholders, including the rights to speak and vote, as if they were individual Shareholders of the Company, without the need to present share certificates, notarized authorizations and/ or any additional evidence of formal authorization.

Any Shareholder entitled to attend and vote at a Shareholders' general meeting may appoint such person or persons (who does not need to be a Shareholder) as his/her proxy, to attend and vote at such meeting. A power of attorney issued by a Shareholder authorizing another person to attend a Shareholders' general meeting shall state the following:

- (i) the name of the principal and the class and number of Shares of the Company held by him/her;
- (ii) the name of the proxy;
- (iii) specific instructions from Shareholders, including the instructions to vote for, against, or abstain from each item on the agenda of the Shareholders' general meeting;
- (iv) the date of issuance and the validity period of the power of attorney;
- (v) the signature (or seal) of the principal. If the principal is a corporate or other institutional shareholder, the corporate seal or institutional seal shall be affixed.

The power of attorney shall specify whether the proxy is permitted to vote at their own discretion if the Shareholder has not provided specific voting instructions. If no such specification is made, it shall be deemed that the proxy has the discretion to vote as they deem fit.

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If the proxy voting authorization is signed by a person authorized by the principal, the power of attorney or other authorizing documents must be notarized. The notarized power of attorney or other authorizing documents, together with the proxy voting authorization, shall be retained at the Company's domicile or at another location designated in the notice convening the Shareholders' general meeting.

The Company shall be responsible for preparing the attendance register for the Shareholders' general meeting. The register shall include the names (or names of entities) of all attendees, their identification numbers, residential or business addresses, the number of voting Shares they hold or represent, and the names (or names of entities) of the Shareholders they represent.

Where the Shareholders' general meeting requires Directors and senior management to attend, Directors and senior management shall attend the meeting and answer the inquiries of shareholders.

The Shareholders' general meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable to or fails to perform his/her duty, a Director elected by more than half of all Directors shall preside over the meeting. If a Shareholders' general meeting is convened by the Audit Committee itself, the convener of the Audit Committee shall preside over the meeting. If the convener of the Audit Committee is unable to or fails to perform his/her duties, a member of the Audit Committee elected by more than half of all members of the Audit Committee shall preside over the meeting. The Shareholders' general meeting convened by shareholders themselves shall be presided over by the convener or a representative elected by him/her. In a Shareholders' general meeting, if the chairman of the meeting contravenes the rules of procedure of the Articles of Association or Shareholders' general meeting, making the meeting impossible to proceed, the Shareholders present at the meeting, holding more than half of the voting rights, may collectively elect a new chairperson to continue presiding over the meeting.

Shareholders' general meetings shall have minutes prepared by the secretary to the Board. The meeting minutes shall include the following:

- (i) the time, venue, agenda, and name of the meeting convener;
- (ii) the name of the chairperson of the meeting, and the names of Directors and senior management who were present at the meeting;
- (iii) the number of Shareholders and proxies in attendance, the total number of voting Shares they hold, and the percentage of such Shares accounting for the total number of Shares of the Company;
- (iv) the deliberation process, key discussion points, and voting results for each proposal considered;
- (v) any inquiries, comments, or suggestions made by Shareholders, and the corresponding responses or explanations provided;
- (vi) the names of the counting officer and vote scrutineers;
- (vii) any other information required to be included in the meeting minutes in accordance with the Articles of Association.

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Voting and Resolutions at Shareholders' General Meetings

Resolutions adopted at Shareholders' general meetings shall be categorized as ordinary resolutions or special resolutions. An ordinary resolution shall be adopted if it is approved by more than half of the voting rights held by Shareholders (including Shareholder proxies) present at the meeting. A special resolution shall be adopted if it is approved by two-thirds or more of the voting rights held by Shareholders (including Shareholder proxies) present at the meeting.

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

- (i) the working reports of the Board of Directors;
- (ii) the profit distribution plans and loss recovery plans proposed by the Board of Directors;
- (iii) the appointment and removal of the members of the Board, and their remuneration and payment methods;
- (iv) the appointment, dismissal and remuneration of the Company's auditor;
- (v) any other matters except those that are required to be adopted by special resolution in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

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

- (i) increase or reduction in the registered capital of the Company;
- (ii) division, merger, change of the Company's form, dissolution and liquidation of the Company;
- (iii) amendment to the Company's Articles of Association and its appendices (including the rules of procedure for Shareholders' general meetings and the rules of procedure for the Board of Directors);
- (iv) acquisition or disposal of major assets by the Company within one year, or the provision of guarantees to others that exceed 30% of the Company's latest audited total assets;
- (v) equity incentive plans;
- (vi) any other matters that are required under laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association, and that are determined by an ordinary resolution of the Shareholders' general meeting to have a material impact on the Company and therefore require approval by a special resolution.

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Shareholders (including Shareholder proxies) exercise their voting rights in proportion to the number of Shares with voting rights they represent, with each share entitled to one vote.

Any Shareholder who, in accordance with the provisions of the securities regulatory rules of the place where the Company’s Shares are listed, is required to abstain from voting on a particular matter or is restricted to casting only an affirmative or negative vote, shall abstain from voting or vote in accordance with such provisions; any votes cast by a Shareholder in violation of such provisions or restrictions, or votes cast on behalf of such a Shareholder, shall not be counted in the voting results.

Shares held by the Company shall not have voting rights, and such Shares shall not be included in the total number of Shares with voting rights present at the Shareholders’ general meeting.

When the Shareholders’ general meeting deliberates on related (connected) transactions, any related (connected) Shareholders shall abstain from voting, and the Shares they hold with voting rights shall not be counted among the total valid votes cast. The announcement of the voting results of the Shareholders’ general meeting shall fully disclose the voting results of non-related (non-connected) Shareholders, subject to the requirements of the Hong Kong Stock Exchange.

Recusal and voting procedures for related (connected) Shareholders when deliberating matters in connection to related (connected) transactions: Prior to issuing the notice of the Shareholders’ general meeting, the convener shall assess whether the matters proposed for consideration constitute related (connected) transactions under applicable laws and regulations. If the convener determines that the matters to be considered at the Shareholders’ general meeting constitute related (connected) transactions, the convener shall provide written notice to the related (connected) Shareholders and disclose relevant information about their involvement in the notice of the Shareholders’ general meeting.

At the Shareholders’ general meeting, related (connected) Shareholders are obligated to proactively request recusal from voting on relevant matters. Other Shareholders may also request the convener to determine whether specific Shareholders must be recused. The convener shall assess and determine whether a Shareholder qualifies as a related (connected) Shareholder and whether recusal is required, in accordance with applicable regulations.

If a related (connected) Shareholder disagrees with the convener’s decision, the Shareholder has the right to report the matter to the relevant authorities or submit it to the people’s court for a verdict as to whether a related (connected) relationship exists and he/she has right to vote. However, the exercise of such rights by relevant shareholder shall not affect the normal conduct of the Shareholders’ general meeting.

Related (connected) Shareholders required to recuse themselves may still participate in the deliberation of the relevant matter and may provide explanations and clarifications regarding the fairness, legality, and rationale of the related (connected) transaction. However, they shall not have right to vote on such matters.

Resolutions on related (connected) transactions shall be deemed valid only if approved by a majority of the voting rights held by non-related (non-connected) Shareholders attending the Shareholders’ general meeting. If the related (connected) transaction concerns a matter requiring a special resolution under the Articles of Association, the resolution of the Shareholders’ general meeting shall be approved by at least two-thirds of the voting rights held by non-related (non-connected) Shareholders present at the meeting.

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BOARD OF DIRECTORS

Directors

Directors shall be natural persons. None of the following persons may serve as a Director of the Company:

- (i) persons without capacity or with limited capacity for civil acts;
- (ii) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the order of the socialist market 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 period;
- (iii) persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises who bear personal liability for the bankruptcy of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (iv) persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and was ordered to close down, and who were personally liable, where less than three years have elapsed since the date of the revocation of business license or the date of being ordered to close of such company or enterprise;
- (v) persons who have been listed by the people's court as defaulter because they have incurred debts of a large amount that have not been settled by the due date;
- (vi) persons who are imposed by the CSRC a ban from entering into the securities market for a period which has not yet expired;
- (vii) the person is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management of a listed company and the term of prohibition has not expired;
- (viii) other contents prescribed by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's Shares are listed.

Elections, appointments or employment of Directors in violation of the provisions of this Article 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.

Employee representatives (if any) in the Board of Directors shall be democratically elected by the Company's employees through the employee representative meeting, employee meeting or other forms. Non-employee representative Directors shall be elected or replaced at the Shareholders' general meeting and may be removed by the Shareholders' general meeting before the expiration of their term of office. A Director shall serve a term of 3 years and can be re-elected upon the expiry of the tenure.

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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. Where a new elect is not yet available upon expiration of a Director's term, such Director, before the new elect takes his/her office, shall continue the performance of his/her duties in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

A Director may be the senior management concurrently, provided that the total number of Directors who concurrently serve as the senior management and Directors who are employee representatives shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiry of his/her term of office. The Director who resigns shall submit to the Company a written report in relation to his/her resignation.

In the event that the resignation of any Director results in the number of members of the Board of Directors being less than the statutory minimum requirement, or the resignation of an independent Director leads to the number of independent Directors being less than one third of the Board members, or the absence of an independent Director with accounting or other relevant financial management expertise that meets regulatory requirements, the said Director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association until the re-elected Directors assume his/her office.

Save for the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the Company.

Any person appointed by the Board of Directors as Director to fill a temporary vacancy on the Board of Directors or to increase the number of Directors shall hold office only until the first annual general meeting of the Company following their appointment, and shall be eligible for re-election.

Independent Directors shall execute, in accordance with the provisions of laws, administrative regulations, departmental rules, the CSRC and the securities regulatory rules of the place where the Company's Shares are listed. In the event of any conflict arising among the Company's Shareholders or Directors, which has a significant impact on the operation and management of the Company, the independent Directors shall take the initiative to perform their duties and safeguard the interests of the Company as a whole.

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Board

The Board consists of eight Directors, including one chairman. The Directors comprise of executive Directors, non-executive Directors and independent Directors.

The Board exercises the following functions and powers:

- (i) to convene Shareholders’ general meetings and report on its work to the Shareholders’ general meeting;
- (ii) to implement the resolutions of the Shareholders’ general meetings;
- (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, issuance of bonds or other securities, and listing plans;
- (vi) to formulate plans for major acquisitions of the Company, purchase of the Company’s Shares, or merger, division, dissolution and change of form of the Company;
- (vii) within the scope authorized by the Shareholders’ general meeting, to decide on the Company’s external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related (connected) transactions, and external donations;
- (viii) to decide on the establishment of the Company’s internal management structure;
- (ix) to appoint or dismiss the general manager, the secretary to the Board and other senior management of the Company; to appoint or dismiss senior management 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 of the senior management of the Company;
- (x) to formulate the Company’s basic management system;
- (xi) to formulate proposals for any amendment to the Articles of Association;
- (xii) to manage the information disclosure matters of the Company;
- (xiii) to propose to the Shareholders’ general meeting the appointment or change of the accounting firm acting as the auditors of the Company;
- (xiv) to receive the work report of the Company’s general manager and examine the general manager’s work;

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(xv) to review and approve the matters required by the Board of Directors under laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association (including but not limited to related (connected) transactions or other transactions);

(xvi) other duties and powers stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Shares of the Company are listed or the Articles of Association.

The Board of Directors shall establish an Audit Committee, which shall exercise the powers of the Board of Supervisors as stipulated in the Company Law. The Company may, as required, establish special committees including the Strategy Committee, Nomination Committee, Remuneration and Assessment Committee and other such committees. All special committees shall be accountable to the Board of Directors, perform their duties in accordance with the Articles of Association and the authority delegated by the Board of Directors, and all proposals put forward by them shall be submitted to the Board of Directors for deliberation and approval. Special committees shall comprise of three or more Directors, and the Audit Committee, Nomination Committee, Remuneration and Assessment Committee shall comprise of majority of independent Directors. The convener shall be independent Directors. The Audit Committee shall comprise of at least one independent Director who is an accounting professional, and the convener shall be an accounting professional. The Board of Directors shall formulate the implementation rules of all special committees.

Matters exceeding the scope of authorization of the Shareholders' general meeting shall be submitted to the Shareholders' general meeting for consideration.

The chairman shall be elected by the Board of Directors with a majority vote of all Directors. The term of office of the chairman shall not exceed that of a Director, but the chairman may be re-elected consecutively.

The chairman of the Board of Directors exercises the following powers:

- (i) to preside over the Shareholders' general meetings, and convene and preside over Board meetings;
- (ii) to supervise and inspect the implementation of Board resolutions;
- (iii) other functions and powers as set forth by the Board of Directors or in the laws, administrative regulations and regulatory rules of the place where the Company's Shares are listed.

The Board of Directors shall hold not fewer than four regular meetings each year, which shall be convened by the chairman, and written notice of such meeting shall be given to all Directors at least 14 days before the meeting is held.

Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors or the Audit Committee, or more than one half of independent Directors may propose to convene an extraordinary meeting of the Board. The chairman of the Board of Directors shall convene and preside over a Board meeting within 10 days after receiving the proposal.

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A meeting of the Board shall be held in the presence of more than half of the Directors. Unless otherwise provided by the Articles of Association, resolutions of the Board must be passed by more than half of all Directors. Voting on Board resolutions shall be made on a one-person-one-vote basis.

If a Director is related (connected) with the enterprises or individual involved in the matters to be resolved at the Board of Directors, such Director shall promptly report in writing to the Board of Directors. A related (connected) Director shall not exercise voting rights on such resolutions, nor shall he/she act as a proxy to exercise voting rights on behalf of other Directors. Such Board meeting may be held with the attendance of over half of the Directors without related (connected) relationship. Resolutions made by Board of Directors shall be adopted by over half of the Directors without related (connected) relationship. If the number of non-related (connected) Directors present at the Board of Directors is less than 3, the matter shall be submitted to the Shareholders' general meeting for consideration.

MANAGERS AND OTHER SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall also appoint deputy general managers, the secretary to the Board, the chief financial officer, and other senior management as determined by the Board of Directors, all of whom shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, the secretary to the Board and the chief financial officer of the Company shall be the senior management of the Company.

The circumstances in the Articles of Association regarding disqualification from serving as a Director shall also apply to senior management.

The general manager shall serve a term of three years and may be reappointed for consecutive terms.

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

- (i) to lead the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
- (ii) to organize the implementation of the Company's annual business plans and investment proposals;
- (iii) to prepare the plan for the establishment of the Company's internal management department;
- (iv) to prepare the basic management system of the Company;
- (v) to formulate the specific rules and regulations of the Company;
- (vi) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager and chief financial officer;
- (vii) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;

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- (viii) according to the authorization of the Board of Directors and the Shareholders’ general meeting, make decisions on the Company’s foreign investment, asset disposal, related (connected) transactions and other matters;
- (ix) to decide and sign economic contracts in daily production and operation on behalf of the Company;
- (x) to examine and approve the expenses incurred in the daily operation and management activities of the Company, and issue daily administrative and business documents;
- (xi) to determine the wages, benefits, rewards and punishments of the Company’s staff, to decide on the appointment and dismissal of the Company’s staff;
- (xii) other powers authorized by the Articles of Association or the Board of Directors.

The deputy general managers of the Company shall assist the general manager in the performance of his/her duties and shall be accountable to the general manager.

The Company shall have a secretary to the Board, who shall be responsible for the preparation of Shareholders’ general meetings and meetings of the Board, the custody of documents, the administration of Shareholder information, and the handling of information-disclosure matters and other related affairs.

The secretary to the Board shall comply with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s Shares are listed and the provisions of the Articles of Association. The secretary to the Board shall attend meetings of the Board.

FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting Systems

The Company shall develop its financial and accounting systems pursuant to laws, administrative regulations and the requirements of the competent authorities of China.

The Shareholders’ general meeting shall review and approve annual financial accounting report within six months after the end of each fiscal year. The financial accounting report shall be prepared in accordance with applicable laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company’s Shares are listed.

When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the Company’s statutory reserve until the fund has reached 50% or more of the Company’s registered capital. When the Company’s statutory reserve is not sufficient to make up for the Company’s losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision. After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a Shareholders’ general meeting, make further allocations from its profits after taxation to the discretionary reserve. After the Company covers its losses and makes allocations to its reserve, the remaining profits after taxation 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 the Articles of Association. If the Shareholders’ general meeting violates the provisions of the preceding paragraphs by distributing profits to Shareholders before the Company has covered losses and made allocation to statutory reserves, the Shareholders shall return the improperly distributed

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profits to the Company. If losses are caused to the Company, the Shareholders and responsible Directors and senior management shall bear liability for compensation. The Company shall not distribute any profits in respect of the shares held by it.

The reserve of the Company shall be applied to making up for the Company's losses, expanding its business operations or increasing its capital. When using reserves to cover losses, discretionary reserves and statutory reserves shall be used first. If these are insufficient, capital reserves may be used in accordance with applicable regulations. When the statutory reserve is converted into registered capital, the remaining balance of the reserve fund shall not be less than 25% of the Company's registered capital prior to the conversion.

Internal Audit

The Company shall implement an internal audit system, which clearly stipulates the leadership structure, duties and authorization, personnel allocation, finance support, audit results application, accountability and other matters in relation to internal audit.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors.

The internal audit function shall be accountable to the Board of Directors. In the course of supervising and examining the Company's business activities, risk management, internal control and financial information, the internal audit function shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit function discovers any material issues or clues in this regard, it shall immediately report directly to the Audit Committee.

Appointment of an Accounting Firm

The Company shall engage an accounting firm which is qualified under the Securities Law and the securities regulatory rules of the place where the Company's Shares are listed, to perform audits of accounting statements, verify net assets and provide other relevant consulting services. The term of such engagement is 1 year and can be renewed.

The engagement and dismissal of an accounting firm by the Company shall be determined at the Shareholders' general meeting, and the Board of Directors shall not engage an accounting firm before any decision is made at the Shareholders' general meeting.

The Company shall ensure to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

The audit fees of the accounting firm, or the method for determining such fees, shall be determined by the Shareholders' general meeting.

A 10-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the Shareholders' general meeting of the Company conducts a vote on the dismissal of the accounting firm.

Where the accounting firm resigns, it shall make clear to the Shareholders' general meeting whether there has been any impropriety on the part of the Company.

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MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase and Reduction of Capital

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

The absorption by one company of another company constitutes a merger by absorption, in which case the absorbed company shall be dissolved. The merger of two or more companies to form a new company shall be deemed a new establishment merger, with all merging parties being dissolved.

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 10 days as of the date of the resolution for the merger and shall publish an announcement in the newspapers, or on the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

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 10 days as of the date of the resolution for the division and shall publish an announcement in the newspapers, or on the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement in the newspapers, or on the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. A creditor may, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, be entitled to demand the Company to repay its debts or provide guarantees for such debts.

Where the Company reduces its registered capital, it shall reduce the amount of capital contribution or Shares in proportion to the capital contribution or Shares held by the Shareholders, unless otherwise prescribed by the laws or the Articles of Association.

The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum level.

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Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

- (i) expiry of the term of business provided in the Articles of Association or other causes of dissolution as specified therein;
- (ii) a resolution on dissolution is passed by the Shareholders' general meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or is revoked in accordance with the laws;
- (v) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders' interests, Shareholders representing 10% or above of the voting rights of the Company may plead the people's court to dissolve the Company.

On the occurrence of the events of dissolution set out in the preceding Article, the Company shall make an announcement on the National Enterprise Credit Information Publicity System within 10 days.

For the circumstance in item (i) and (ii) of Article 177 of the Articles of Association, and no property has been distributed to Shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the Shareholders' general meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the Shareholders' general meeting shall be approved by more than two-thirds of the voting rights held by the Shareholders attending the Shareholders' general meeting.

Where the Company is dissolved pursuant to (i), (ii), (iv) or (v) of Article 177 of the Articles of Association, it shall be liquidated. Directors shall be the persons responsible for liquidation and shall establish a liquidation group within 15 days as of the dissolution circumstance arises, and the liquidation shall be performed.

The liquidation group shall be composed of Directors, except where otherwise provided in the Articles of Association or where the Shareholders' general meeting resolves to appoint other persons.

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.

In the event that the Company shall be liquidated in accordance with the provisions of paragraph 1 of Article 179 of the Articles of Association, the liquidation group is not established to conduct liquidation or the liquidation is not conducted after establishment of the liquidation group within the stipulated period, an interested party may request the people's court to appoint relevant personnel to establish the liquidation group to conduct liquidation.

Where the Company is dissolved due to item (iv) of paragraph 1 of Article 177, the department or the company registration authority that made the decision to revoke the business license, order to close down or revoke may apply to the people's court to appoint relevant personnel to establish the liquidation group to conduct liquidation.

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As of the date of its establishment, the liquidation group shall notify the creditors within 10 days and make an announcement in the newspapers, or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation group.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation group shall record the creditors' claims.

The liquidation group shall not pay off any debts to any creditors during the period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation group shall formulate a liquidation plan for the confirmation by the Shareholders' general meeting or the people's court. The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the Shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but cannot carry out any business activities unrelated to liquidation. The assets of the Company shall not be distributed to the Shareholders until the settlement of debts in accordance with the preceding Article.

If the liquidation group, after checking the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall file an application to the people's court for bankruptcy liquidation in accordance with the laws. After the people's court accepts the bankruptcy application, the liquidation group shall hand over the liquidation matters to bankruptcy administrator appointed by the people's court.

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

AMENDMENTS TO THE ARTICLES

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

- (i) After amendments are made to the Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Shares of the Company are listed, any term contained in the Articles of Association become inconsistent with the said amendments;
- (ii) If certain changes of the Company occur resulting in inconsistency with terms specified in the Articles of Association;
- (iii) The Shareholders' general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the Shareholders' general meetings require approval of the government competent authorities, the amendments shall be submitted to the original approving authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

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The Board of Directors shall amend the Articles of Association in accordance with the resolutions passed by the Shareholders’ general meeting to effect such amendments and pursuant to the approval opinions of relevant competent authorities.

Amendments to the Articles of Association constitute information required to be disclosed pursuant to the laws and regulations and shall be announced in accordance with such requirements.