
APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides investors with a summary of the Articles of Association.

The following information is only a summary and may not include all the materials that may be important to potential investors.

ISSUANCE OF SHARES

The shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in a transparent, fair and equitable manner, and each share of the same class shall carry equal rights.

Shares issued at the same time and of the same class shall be issued on the same conditions and at the same price. The same price per Share shall be paid by any unit or individual.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase and Reduction of Shares

The Company may, upon resolution by the shareholders’ general meeting, adopt the following methods to increase its capital in accordance with its business and development needs and pursuant to the provisions of laws and regulations:

- (I) issuance of shares to non-specific persons;
- (II) issuance of shares to specific persons;
- (III) distribution of bonus Shares to existing shareholders;
- (IV) conversion of the common reserve fund to additional share capital;
- (V) other means as prescribed by laws, administrative regulations, CSRC and the securities regulatory authorities of the place where the shares of the Company are listed.

The Company may reduce its registered capital. Any reduction in the Company’s registered capital shall be made in accordance with the procedures stipulated in the Company Law, and other relevant provisions and other related regulations and the Articles of Association.

Repurchase of Shares

The Company may not repurchase its own shares except in any of the following circumstances:

- (I) reducing the Company’s registered capital;
- (II) merging with other companies holding shares of the Company;
- (III) issuing shares under employee stock ownership scheme or share incentive scheme;
- (IV) purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders’ general meeting upon their request;
- (V) use of shares for converting the convertible bonds issued by the Company into shares;
- (VI) where it is necessary for the Company to maintain its value and protect the interests of the shareholders.

Except for the above circumstances, the Company shall not engage in the trading of its Shares.

The Company’s acquisition of its own shares for reasons specified in items (I) to (II) above shall be subject to a resolution of a shareholders’ general meeting. The Company’s acquisition of its own shares due to the circumstances specified in items (III), (V) or (VI) above shall be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

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Following the acquisition of the Company’s Shares in accordance with the aforementioned provisions, where the circumstances fall under item (I), such shares shall be cancelled within 10 days of the acquisition date; where the circumstances fall under items (II) or (IV), such shares shall be transferred or cancelled within six months; where the circumstances fall under items (III), (V) or (VI), the aggregate number of shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such Shares shall be transferred or cancelled within three years. Where there are other provisions in laws, regulations, and the securities regulatory authorities of the place where the Company’s shares are listed on relevant matters related to share repurchases, such provisions shall prevail.

Transfer of Shares

The Company’s shares shall be transferred in accordance with the law.

All transfers of the H shares shall be executed by a written instrument of transfer in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer format or form of transfer as prescribed by the HKEX from time to time. Such transfer document may only be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company’s valid seal. If the transferor or transferee is a recognized clearing house or its nominee as defined by the relevant regulations in force under the laws of Hong Kong from time to time, the transfer may be signed by hand or by machine printing. All instruments of transfer must be placed at the legal address of the Company or such address as the Board of Directors from time to time specify.

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

No transfer of shares held by promoter shall be allowed within one year since the Company is incorporated. Shares issued by the Company prior to the public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchanges.

The directors and senior management of the Company shall report their shareholdings and the changes thereof to the Company. During their terms of office they may not transfer more than 25% of the total number of shares of the Company held by them in any given year; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforementioned individuals shall not transfer the shares of the Company held by them within six months from the date of their resignations.

SHAREHOLDERS AND SHAREHOLDERS’ GENERAL MEETING

General Provisions for Shareholders

The Company shall establish a register of shareholders and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The original part of the shareholders’ register of overseas listed foreign shares related to the holders of shares [REDACTED] on the HKEX shall be kept in Hong Kong. The shareholders’ register of overseas listed foreign shares kept in Hong Kong is available for inspection by shareholders.

Shareholders of the Company enjoy the following rights:

- (I) to receive dividends and other forms of interest distributions in proportion to their shareholdings;
- (II) to request, convene, hold and attend or appoint proxies to attend shareholders’ general meetings and exercise their corresponding voting rights according to laws;

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- (III) to supervise, provide recommendations on or make inquiries about the operations of the Company;
- (IV) to transfer, donate 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;
- (V) to review and copy the Articles of Association, the register of shareholders, counterfoil of the corporate bonds, minutes of shareholders’ general meetings, resolutions of board meetings, and financial accounting reports; shareholders meeting the prescribed requirements may also inspect the Company’s accounting books and accounting vouchers;
- (VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (VII) to request the Company to acquire their shares for the shareholders who voted against any resolution adopted at the shareholders’ general meeting concerning the merger or division of the Company;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

The shareholder who requests to inspect and copy relevant materials of the Company shall abide by the Company Law, the Securities Law, other laws and administrative regulations, and securities regulatory rules of the where the Company’s shares are listed.

If a resolution of a shareholders’ general meeting or a meeting of the Board is in violation of any law, administrative regulation, the shareholders are entitled to request the People’s Court to invalidate it.

If the procedures for calling a shareholders’ general meeting, or a board meeting, or the way of voting, is in violation of any law, administrative regulation or the Articles of Association, or if a resolution is in violation of the Articles of Association, the shareholders may, within 60 days from the day when the resolution is made, request the People’s Court to revoke it. However, this does not apply if the procedures for convening the shareholders’ general meeting or the board meeting, or the voting methods, only have minor defects that do not substantially affect the resolution.

Under any of the following circumstances, a resolution passed by a shareholders’ general meeting or a board meeting of the Company is not valid:

- (I) the resolution is passed without holding a shareholders’ general meeting or board meeting;
- (II) the resolution is not voted on at a shareholders’ general meeting or board meeting;
- (III) the number of persons present at the meeting or the number of votes held does not attain the number stipulated in the Company Law or the Articles of Association, or the number of votes held;
- (IV) the number of persons who consent to the resolution or the number of votes held does not attain the number stipulated in the Company Law or the Articles of Association, or the number of votes held.

If any director or senior management other than members of the Audit Committee violates the relevant laws and administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or the provisions of the Articles of Association in performing his/her duties in the Company, causing any loss to the Company, the shareholder(s) individually or

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collectively holding 1% or more of the shares of the Company for more than 180 consecutive days shall have the right to request in writing the Audit Committee to bring an action before the People’s Court. If the Audit Committee violates the relevant laws and administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or the provisions of the Articles of Association in performing its duties in the Company, causing any loss to the Company, the shareholder may request in writing the Board of Directors to bring an action before the people’s court.

In the event that the Audit Committee or the Board of Directors refuses to initiate legal proceedings upon receipt of the aforesaid shareholders’ written request, or fails to initiate legal proceedings within 30 days upon receipt thereof, or in case of emergency or in the event that the failure to immediately initiate legal proceedings will incur irrecoverable damage to the interests of the Company, the shareholders mentioned in the preceding paragraph shall have rights to, in their own names, directly initiate legal proceedings in the People’s Court for the interests of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the aforementioned shareholders may initiate legal proceedings in the People’s Court according to the provisions of the preceding two paragraphs.

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company violates laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or the provisions of the Articles of Association during the performance of his/her duties and causes losses to the Company, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses to the Company, the shareholders who have held more than one percent of the shares of the Company, either individually or in aggregate, for a period of more than 180 consecutive days, may request in writing the supervisory committee (or supervisors) or the Board of Directors of such wholly-owned subsidiary to file a lawsuit with the People’s Court or directly file a lawsuit in their own names with the people’s court in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law.

In the event of a director or a senior management member violates the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association, which causes damage to the interests of shareholders, the shareholders may initiate legal proceedings in the People’s Court.

Shareholders of the Company shall assume the following obligations:

- (I) to abide by the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association;
- (II) to pay capital contribution according to the number of shares subscribed for and the method of subscription;
- (III) not to withdraw the shares unless required by the laws and administrative regulations, and the securities regulatory rules of the place where the Company’s shares are listed;
- (IV) not to abuse their shareholders’ rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (V) other obligations imposed by the 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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Where any shareholder of the Company abuses the shareholders’ rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws. Where shareholders of the Company abuse the Company’s status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Shareholders who hold more than 5% or more voting shares of the Company pledge any of their shares shall report the same to the Company in writing on the day the fact occurs.

The controlling shareholder and actual controller of the Company shall exercise their rights and perform their obligations in accordance with applicable laws, administrative regulations, the regulations of the CSRC and the securities regulatory authorities of the place where the Company’s shares are listed, and shall safeguard the interests of the Company.

The controlling shareholder and actual controller of the Company shall comply with the following provisions:

- (I) to exercise shareholder rights in accordance with the law, and not to abuse control or use related relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (II) to strictly fulfill all public statements and commitments made, and not to alter or waive them without proper authorization;
- (III) to fulfill information disclosure obligations in strict compliance with relevant regulations, actively cooperate with the Company in discharging its disclosure responsibilities, and promptly notify the Company of any major events that have occurred or are expected to occur;
- (IV) not to misappropriate the Company’s funds in any manner;
- (V) not to compel, instruct, or request the Company or relevant personnel to provide guarantees in violation of laws or regulations;
- (VI) not to seek personal gain by using undisclosed material information of the Company, not to disclose such information in any manner, or not to engage in insider trading, short-swing trading, market manipulation, or other illegal or non-compliant activities;
- (VII) not to harm the legitimate rights and interests of the Company or other shareholders through unfair related transactions, profit distribution, asset restructuring, external investments, or by any other means;
- (VIII) to ensure the Company’s independence with respect to its assets, personnel, finance, institutions, operations, and business, and not to affect such independence in any way;
- (IX) to comply with other provisions under laws, administrative regulations, the rules of the CSRC, the securities regulatory authorities of the place where the Company’s shares are listed, and the Articles of Association.

If the controlling shareholder or actual controller of the Company does not serve as the Director of the Company but effectively manages the Company’s affairs, the provisions of the Articles of Association concerning the fiduciary duties and duties of diligence of Directors shall apply.

Where the controlling shareholder or actual controller instructs a Director or senior management to engage in acts that harm the interests of the Company or its shareholders, such controlling shareholder or actual controller shall bear joint and several liability together with the

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relevant Director or senior management. Where the controlling shareholder or actual controller pledges Shares of the Company that they hold or effectively control, they shall maintain the stability of the Company’s control and business operations.

Where the controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the provisions of the CSRC and the securities regulatory rules of the place where the Company’s shares are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

General Provisions of the Shareholders’ General Meeting

The shareholders’ general meeting shall consist of all shareholders. It is the Company’s governing body and shall exercise the following powers in accordance with the law:

- (I) to elect and replace staff representatives, directors and to decide on matters concerning the remuneration of directors and supervisors;
- (II) to review and approve the report of the Board of Directors;
- (III) to review and approve the Company’s profit distribution plans and plans for loss compensation;
- (IV) to resolve on the increase or decrease of the Company’s registered capital;
- (V) to resolve on the issuance of corporate bonds;
- (VI) to resolve on matters such as mergers, divisions, dissolution, liquidation, or changes of corporate form;
- (VII) to amend the Articles of Association;
- (VIII) to resolve on the engagement or dismissal of accounting firms responsible for the Company’s audit services;
- (IX) to consider and approve the guarantee matters stipulated in the Articles of Association;
- (X) to consider and approve the transactions under the Articles of Association;
- (XI) to consider the Company’s purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;
- (XII) to consider and approve matters relating to changes in the use of proceeds raised;
- (XIII) to consider and approve equity incentive plan and employee stock ownership plans;
- (XIV) to approve the listing plan of the Company;
- (XV) to consider other matters required by laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company’s shares are listed or the provisions of the Articles of Association to be decided by the shareholders’ general meeting.

The shareholders’ general meeting includes annual and extraordinary meetings. The annual shareholders’ general meeting shall be held once each year, within six months after the end of the previous fiscal year.

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Under any of the following circumstances, the Company shall convene an extraordinary shareholders’ general meeting within two months from the date of the event:

- (I) When the number of directors is less than two-thirds of the number prescribed in the Articles of Association;;
- (II) When the Company’s uncovered losses reach one-third of its total share capital;
- (III) When requested by one or more shareholders holding at least 10% of the Company’s Shares;
- (IV) When the Board of Directors deems it necessary;
- (V) When proposed by the Audit Committee;
- (VI) Other circumstances as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

Convening of Shareholders’ General Meetings

The Board of Directors shall convene the shareholders’ general meeting.

Independent non-executive directors are entitled to propose to the Board of Directors to convene an extraordinary shareholders’ general meeting. Where independent non-executive directors require to convene an extraordinary shareholders’ general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association, issue a written reply on whether or not it agree to convene the extraordinary shareholders’ general meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders’ general meeting, a notice to convene such meeting shall be issued within 5 days after such resolution of the Board of Directors. If the Board of Directors disagrees to convene an extraordinary shareholders’ general meeting, it shall state the reasons in an announcement.

The Audit Committee is entitled to propose to the Board of Directors to convene an extraordinary shareholders’ general meeting, and such proposals shall be made in writing to the Board of Directors. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, issue a written reply on whether or not it agrees to convene the extraordinary shareholders’ general meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders’ general meeting, a notice to convene such meeting shall be issued within 5 days after such resolution of the Board of Directors. Any changes to the original proposal in the notice require the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary shareholders’ general meeting or fails to give a response within 10 days after receipt of such proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill the obligation to convene the shareholders’ general meeting, and the Audit Committee may convene and preside over the meeting on its own initiative.

Shareholder(s) severally or jointly holding more than 10% of the Shares of the Company is/are entitled to request the Board of Directors to convene an extraordinary shareholders’ general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of

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the place where the Company’s shares are listed and the Articles of Association, issue a written reply on whether or not it agrees to convene the extraordinary shareholders’ general meeting within 10 days upon the receipt of the request.

If the Board of Directors agrees to convene an extraordinary shareholders’ general meeting, a notice to convene such meeting shall be issued within 5 days after such resolution of the Board of Directors. Any changes to the original request in the notice require the consent of relevant shareholder(s).

If the Board of Directors disagrees to convene an extraordinary shareholders’ general meeting or fails to give a response within 10 days after receipt of such request, shareholder(s) severally or jointly holding more than 10% of the Shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary shareholders’ general meeting, and such request shall be made in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders’ general meeting, a notice to convene such meeting shall be issued within 5 days upon receipt of such request. Any changes to the original request in the notice require the consent of relevant shareholder(s).

Where the Audit Committee fails to issue a notice of the shareholders’ general meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the shareholders’ general meeting, and the shareholder(s) severally or jointly holding more than 10% of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on their own initiative.

Where the Audit Committee or shareholders resolve to convene a shareholders’ general meeting on their own, a written notice shall be given to the Board of Directors.

The shareholders that convene the general meeting shall hold at least 10% of the shares of the Company prior to the conclusion of general meeting.

Proposals and Notices of Shareholders’ General Meetings

The contents of the proposals shall fall within the terms of reference of the shareholders’ general meeting, have clear subjects and specific matters to be resolved, and comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

When the Company convenes a shareholders’ general meeting, the Board of Directors, the Board of Supervisors and shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit a provisional proposal in writing to the convener 10 days prior to the convening of the shareholders’ general meeting. The convener shall issue a supplemental notice of the shareholders’ general meeting within 2 days after receiving the proposal and announce the contents of the provisional proposal.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders’ general meeting or add new proposals after issuing the notice of the shareholders’ general meeting.

Proposals not set out in the notice of the shareholders’ general meeting or not in compliance with the provisions above shall not be voted on or resolved at the shareholders’ general meeting.

The convener of an annual general meeting shall notify shareholders of the meeting in any form of writing (letter, fax or email) 20 days before the meeting is held; the convener of an extraordinary general meeting shall notify shareholders of the meeting in any form of writing (letter, fax or email) 15 days before the meeting is held.

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When calculating the starting date and ending date by the Company, the date when the meeting is held shall be excluded.

The notice of the shareholders’ general meeting shall include the following:

- (I) the time, venue and duration of the meeting;
- (II) the matters and proposals presented to the meeting for consideration;
- (III) relevant information on the matters discussed;
- (IV) a prominent statement stating that all shareholders are entitled to attend the shareholders’ general meeting and appoint a proxy by written to attend and vote on his/her behalf, and such proxy need not be a shareholder of the Company;
- (V) the record date of shareholders entitled to attend the shareholders’ general meeting;
- (VI) the name and phone number of the contact person in connection with the meeting;
- (VII) date of notice;

Where the shareholders’ general meeting adopts other methods of voting, the notice shall also specify the time for such voting, the voting procedures, and the matters subject to audit.

The interval between the record date and the date of the meeting shall not be more than 7 business days. Once the record date is confirmed, no change may be made thereto.

Subsequent to the dispatch of a notice of the shareholders’ general meeting, the shareholders’ general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the shareholders’ general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons thereof at least 2 business days prior to the original date of the meeting.

Conducting the Shareholders’ General Meetings

The Board of Directors and other conveners shall take all necessary measures to ensure that the shareholders’ general meeting is conducted in an orderly manner, and shall take steps to prevent any activities interfering with the shareholders’ general meeting or infringing upon the legal interests of shareholders and report such activities to competent authority in a timely manner.

All shareholders in the register of shareholders as of the shareholding registration date or their proxies are entitled to attend the shareholders’ general meeting, and exercise voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Shareholders may attend a shareholders’ general meeting in person, or may appoint proxies to attend and vote on his/her behalf. Shareholders may attend the shareholders’ general meeting in person or appoint a proxy to attend and vote on their behalf; such proxy need not be a shareholder of the Company. The attendance of a proxy shall be deemed equivalent to the shareholder’s personal attendance. If a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances in force in Hong Kong from time to time, the shareholder may authorize his/her/its corporate representative or one or more persons as he/she/it thinks fit to act as his/her/its proxy(ies) at any shareholders’ general meeting or creditors’ meeting and to exercise such rights as to speak and to vote.

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. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend or present at the meeting through the internet, video, telephone or other means with equivalent effect.

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A shareholders’ general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable to or fails to perform his/her duties, the deputy chairman shall chair the meetings; where there is no deputy chairman or the deputy chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The chairman of the Audit Committee shall preside over the shareholders’ general meeting that is convened by the chairperson Audit Committee. If the chairperson of the Audit Committee is unable to or fails to perform his/her duties, a chairperson of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

A shareholders’ general meeting convened by the shareholders shall be presided over by the conveners’ nominated representative.

Where the chairman of the shareholders’ general meeting violates the rules of procedure when holding the meeting and as a result, the shareholders’ general meeting is unable to continue, subject to the consent of the shareholders with more than half of voting rights of all the shareholders attending the shareholders’ general meeting, a person may be nominated in the shareholders’ general meeting to act as the chairman of the meeting and such meeting may continue.

Voting at and Resolutions of Shareholders’ General Meetings

Resolutions at the shareholders’ general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution put forward at a shareholders’ general meeting shall be passed by votes representing more than half of the voting rights held by the shareholders (including shareholders’ proxies) attending the shareholders’ general meeting.

Special resolutions put forward at a shareholders’ general meeting shall be passed by votes representing more than two-thirds of voting rights held by the shareholders (including shareholders’ proxies) attending the meeting.

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

- (I) work reports of the Board of Directors;
- (II) profit distribution plans and loss recovery plans formulated by the Board of Directors;
- (III) appointment and dismissal of the members of the Board of Directors, their remunerations and the method of payment thereof;
- (IV) matters other than those prescribed by laws, administrative regulations, and the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association that shall be approved by special resolutions.

The following matters shall be approved by special resolutions at the shareholders’ general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation or change of corporate form of the Company;
- (III) amendments to the Articles of Association;
- (IV) purchase or sale of material assets or guarantees by the Company in excess of 30% of the Company’s latest audited total assets within a period of 1 year;

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- (V) newly-implemented share incentive schemes;
- (VI) approval of the listing plan of the Company
- (VII) other matters prescribed by the laws, administrative regulations and securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association, and those matters determined by ordinary resolutions at a shareholders’ general meeting to have a material impact on the Company and required to be approved by special resolutions.

Shareholders (including proxies) shall exercise their voting rights based on the number of the shares with voting rights they represent, each share shall carry one vote.

The Company’s shares which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders’ general meeting.

When the shareholders’ general meeting votes on the election of Directors, it may, pursuant to the Articles of Association or a resolution of the shareholders’ general meeting, do so by cumulative voting.

The cumulative voting system referred to in the preceding paragraph means each share, when voting to elect directors at the general meeting, carries the number of voting rights equivalent to the number of directors to be elected, and a shareholder may concentrate his/her/its voting rights. The Board of Directors shall inform the shareholders of the resumes and basic information of candidates for director.

If the proposal on cash distribution, bonus issue or conversion of capital reserve into share capital is passed at the general meeting, the Company shall implement the specific plan within 2 months after the conclusion of the general meeting.

BOARD OF DIRECTORS

General Provisions for Directors

A director of the Company who is a natural person may not act as a director of the Company under any of the following circumstances:

- (I) having no capacity for civil conducts or limited capacity for civil conducts;
- (II) having been sentenced to imprisonment for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economy, where less than 5 years have lapsed since the expiration of the execution period, or who have been deprived of political rights as a result of any criminal offenses, where less than 5 years have lapsed since the expiration of the execution period, or where probation has been granted, less than 2 years have lapsed since the expiration of the probationary period;
- (III) where he/she is a director, factory manager, or manager of a company or enterprise that were declared insolvent and liquidated and was personally liable for the insolvency of the company or enterprise, and less than 3 years have lapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (IV) where he/she is the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of the law and was personally liable for the company or enterprise, less than 3 years have lapsed since the date when the company or enterprise’s business license was revoked or it was ordered to close down;

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- (V) having been listed as a dishonest judgment defaulter by the People’s Court for not being able to settle a large amount of debt due;
- (VI) having been subject to a securities market ban imposed by the CSRC with the term yet to be expired;
- (VII) having been publicly determined by the stock exchange as unfit to serve as, among others, a director or senior management member of listed companies, with the term yet to be expired;
- (VIII) other circumstances stipulated by laws, administrative regulations, and the securities regulatory rules of the place where the Company’s shares are listed or departmental rules.

Any election, appointment or engagement of directors in contravention of this provision shall be null and void. Should a director become subject to the circumstances described herein during their tenure, the Company shall terminate their appointment.

Directors shall be elected or replaced at the shareholders’ general meeting and may be removed from office by the shareholders’ general meeting before the expiration of their terms of office. The term of office of a director is 3 years. Upon expiry of the term of office he or she may be re-elected and re-appointed.

The term of office of a director commenced from the date of taking office, until the current term of office of the Board of Directors ends. If a director is not re-elected in a timely manner upon the expiration of the term of office, the original director shall continue to perform his/her duties as a director 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 director takes office.

A director may be concurrently held by the manager or other senior management member, but the number of directors concurrently serving as manager or other senior management member shall not exceed 1/2 of the total number of directors of the Company.

The Board of Directors of the Company shall include one director representing the staff. Staff representative of the Board shall be chosen through the staff and workers’ congress, the staff and workers’ assembly or other forms of democratic elections.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, owe fiduciary obligations to the Company, shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their authority to seek improper benefits.

Directors and shall owe the following fiduciary obligations to the Company:

- (I) shall not embezzle the assets or misappropriate the funds of the Company;
- (II) shall not deposit the Company’s funds into any account opened in his/her own or any other person’s name;
- (III) shall not use his/her position to solicit bribes or accept other unlawful income;
- (IV) shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the shareholders’ general meeting and obtaining approval through resolutions passed by the Board of Directors or the shareholders’ general meeting in accordance with the provisions of these Articles of Association;

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- (V) shall not use his/her position to seek commercial opportunities belonging to the Company for himself/herself or others, except where such opportunities are reported to the Board of Directors or the shareholders’ general meeting and approved by a resolution of the shareholders’ general meeting, or where the Company is unable to utilise such commercial opportunities pursuant to 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.
- (VI) shall not engage in business operations of a similar nature to those of the Company, either on one’s own behalf or on behalf of others, without reporting to the Board of Directors or the shareholders’ general meeting and obtaining approval through a resolution passed by the shareholders’ general meeting.
- (VII) shall not accept the commissions arising from transactions between others and the Company for his/her own account;
- (VIII) shall not disclose the Company’s secrets without authorization;
- (IX) shall not take advantage of his/her related relationship to compromise the interests of the Company;
- (X) shall fulfill other fiduciary obligations as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

Any income derived by a director in violation of the abovementioned provisions shall belong to the Company; and if any loss is caused to the Company, he/she shall be liable for compensation.

The provisions in item (IV) above shall apply to contracts or transactions entered into by close relatives of directors or senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and other related parties having other affiliations with directors or senior management.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association, owe duty of diligence to the Company, and, in performing their duties, exercise the reasonable care ordinarily expected of a prudent manager in the best interests of the Company.

Directors shall owe the following duty of diligence to the Company:

- (I) shall exercise the rights conferred by the Company in a prudent, conscientious and diligent manner, so as to ensure that the business activities of the Company comply with the requirements of national laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and various national economic policies, and that the commercial activities do not go beyond the scope stipulated in the business license;
- (II) shall treat all shareholders fairly;
- (III) shall maintain a timely awareness of the operation and management of the Company;
- (IV) shall sign written confirmations on the regular reports of the Company and ensure the information disclosed by the Company is true, accurate and complete;
- (V) shall truthfully provide relevant information and materials to the Audit Committee, and shall not obstruct the Audit Committee or the supervisors from performing their functions and powers;

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- (VI) to ensure that they have reserved sufficient time and effort for participating in the Company’s affairs and cautiously judging the risks and gains arising from the resolutions proposed;
- (VII) the directors, in principle, shall attend the meeting of the Board in person. Any director who fails to attend the meeting due to some reasons and authorises another director to attend on his/her behalf shall cautiously select a proxy, with specific and clear authorised matters and intent of decision-making, and shall not give carte blanche to his/her proxy;
- (VIII) to actively promote the regulated operation of the Company, timely rectify and report the irregularities of the Company and support the Company to fulfil its social responsibilities;
- (IX) to actively understand and maintain ongoing oversight of the Company’s operational management through multiple means including reviewing documentation, consulting responsible personnel, and conducting on-site inspections and research, and to promptly report relevant issues and risks to the Board of Directors;
- (X) be familiar with and continuously pay attention to the Company’s production, operation and reform management, carefully read the Company’s financial report and other documents, and timely report to the Board of Directors the problems that the Board of Directors should pay attention to, especially the Company’s major losses and major business crisis events;
- (XI) shall discharge other duty of diligence as required by laws, administrative regulations, rules of departments, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

A director may resign before expiry of his/her term of office. The resigning director shall submit a written resignation to the Board of Directors, but a director shall not evade his/her responsibilities by resigning or other means.

If such resignation causes the number of directors to be lower than the quorum of Board meeting, then before a new director takes office, the resigning director shall continue to perform its duties under relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Except for the circumstances listed above, the resignation of a director shall take effect when the resignation letter is delivered to the Board of Directors.

When a director’s resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the Board. His/Her obligation of loyalty towards the Company does not necessarily cease immediately after the end of his/her term of service. The obligation of confidentiality in respect of trade secrets, technological secrets and other inside information of the Company shall remain in effect after the end of his/her term of office, until such trade secrets become publicly available information. The duration of other fiduciary duties owed to the Company shall be determined comprehensively in accordance with principles of fairness, taking into account factors such as the nature of the matter, its significance to the Company, the period over which it affects the Company, and the relationship with the director concerned. Such duration shall not be less than one year.

The shareholders’ general meeting may remove a director by a resolution. The removal shall take effect on the date when the resolution is made. If, without justifiable reason, a director is removed before the expiration of his/her term of office, he/she may request compensation from the Company. Such removal will not affect any claim for damages raised by the director according to any contracts.

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Board of Directors

The Company shall have a Board of Directors accountable to the shareholders’ general meeting.

The Board of Directors shall consist of 9 directors, including 3 independent non-executive directors and 1 staff representative director. The Board of Directors shall have one chairman and may appoint a deputy chairman as required. The Company shall have at least one independent non-executive director possessing appropriate accounting or related financial management expertise. At least one independent non-executive director shall ordinarily reside in Hong Kong. All independent non-executive directors must satisfy the independence requirements stipulated by the securities regulatory rules of the place where the Company’s shares are listed.

The Board of Directors shall exercise the following powers:

- (I) to convene the general meeting and report its work to the shareholders’ general meeting;
- (II) to implement the resolutions of the shareholders’ general meeting;
- (III) to make decisions on the business plans and investment proposals of the Company;
- (IV) to formulate the profit distribution plan and loss compensation plan of the Company;
- (V) to formulate plans for the increase or reduction of registered capital, issuance of bonds or other securities and listing of the Company;
- (VI) to formulate plans for the Company’s material acquisition, share buybacks, mergers, demergers, dissolution, and changes to the Company’s legal status;
- (VII) to make decisions, within the scope of authorisation granted by the shareholders’ general meeting, on matters relating to external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, related transactions, external donations, and other matters;
- (VIII) to make decisions on the establishment of internal management structures within the Company;
- (IX) to appoint or dismiss of the Company’s manager, the secretary to the Board of Directors, and to decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company’s senior management members such as the vice manager and the chief financial officer based on the nomination of the manager, and to decide on their remuneration, rewards and punishments;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the amendment proposal to the Articles of Association;
- (XII) to propose to the shareholders’ general meeting the appointment or replacement of the accounting firm to conduct the Company’s audit;
- (XIII) to hear the work report of the manager of the Company and review the work of the manager;
- (XIV) other functions and powers conferred by laws, administrative regulations, departmental rules, other securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

Matters beyond the scope of authorisation granted by the shareholders’ general meeting shall be submitted to the shareholders’ general meeting for consideration.

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The above matters shall exclude matters that necessarily require consideration and approval by the general meeting pursuant to the Company Law and other relevant laws and regulations as well as the securities regulatory rules of the places where the Company’s shares are listed.

The chairman of the Board of Directors shall exercise the following functions and powers:

- (I) to preside over shareholders’ general meeting and to convene and preside over board meetings;
- (II) to supervise and examine the implementation of the resolutions of the Board;
- (III) to sign company stocks, corporate bonds, and other valuable securities;
- (IV) to sign important documents of the Board of Directors and other documents which shall be signed by the legal representative of the Company;
- (V) to exercise the functions and powers of the legal representative, including but not limited to executing important documents approved by the Board of Directors or other documents required to be executed by the legal representative of the Company. ;
- (VI) in case of emergency of catastrophic natural disasters and other force majeure, to exercise the special right of disposal that is in line with the requirements of laws and interests of the Company on the matters of the Company, and report to the board of directors and the shareholders’ general meeting afterwards;
- (VII) other functions and powers conferred by the Board of Directors.

The deputy chairman of the Board of the Company shall assist the work of the chairman of the Board and if the chairman is unable to perform his duties or does not perform his duties, the deputy chairman shall perform such duties. If there is no deputy chairman or deputy chairman is unable to perform his duties or does not perform his duties, a director jointly elected by more than half of the directors shall perform his duties.

The Board of Directors shall convene at least four regular meetings annually, approximately once in each quarter. Regular board meetings shall be convened by the chairman of the Board of Directors, with any form of written notice (letter, fax or email) given to all directors at least 14 days prior to the meeting.

Where the board of directors is expected to declare, propose or pay dividend at a meeting, or it shall pass any announcement in respect of profits or loss for any year, half-year or other periods at such meeting, an announcement must be made in accordance with the HKEX Listing Rules at least seven business before the convening of such meeting.

Shareholders representing more than one-tenth of voting rights of the Company, more than one-third of all directors or the Board of Supervisors may propose to convene an extraordinary meeting of the Board. The chairman shall convene and preside over a board meeting within 10 days from the receipt of such proposal.

If any Director is associated with the enterprises that are involved in the matters to be resolved by the board meetings, he shall not exercise his voting rights for such matters, nor shall such director exercise voting rights on behalf of other Directors. Such board meeting may be convened with attendance of more than half of non-connected Directors, and resolutions shall be passed by more than half of non-connected Directors at the board meeting. In the event that the number of non-connected Directors attending the board meeting is less than three, such matter shall be submitted to the general meeting for consideration.

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Senior Management

The Company shall have one manager, who shall be appointed or removed by the decision of the Board.

The Company shall have vice managers, a financial officer, and a board secretary, who shall be appointed or dismissed by the Board of Directors. The Company shall enter into employment contracts with the manager, vice managers, financial officer, and board secretary, clearly stipulating the rights and obligations between the Company and the aforementioned personnel, their terms of office, the liabilities incurred should they breach laws, regulations, or the Articles of Association, and the compensation payable should the Company terminate the contract prematurely for any reason.

The Company’s manager, vice manager, financial officer and board secretary shall be deemed senior management members of the Company.

Directors may be employed concurrently as managers, vice managers, financial officers or other senior management members.

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

The manager shall report to the Board of Directors, and shall exercise the following functions and powers:

- (I) to manage the production, business operation and management of the Company, to organize and implement the resolutions of the Board of Directors and to report his/her work to the Board of Directors;
- (II) to organise and implement of the annual operation plans and investment proposals of the Company;
- (III) to prepare the plan for establishing the internal management body of the Company;
- (IV) to prepare the basic management system of the Company;
- (V) to develop the specific rules of the Company;
- (VI) to recommend the Board of Directors on the appointment or removal of any deputy manager, the chief financial officer and other senior management members;
- (VII) to appoint or remove management personnel other than those appointed or removed by the Board of Directors;
- (VIII) to exercise other functions and powers authorised by the Articles of Association or the Board of Directors and stipulated in the work rules of the manager.

The manager shall attend the Board meetings.

The Company shall have secretary to the Board of Directors. The board secretary and the securities department of the Company shall be responsible for matters such as preparing shareholders’ general meetings and board meetings of the Company, keeping of documents and managing shareholders’ information of the Company and investors’ relationship work.

The board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

During the vacancy of the position of board secretary, the chairman shall perform the duties of the board secretary.

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FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system according to the laws, administrative regulations, the listing rules of the stock exchange where the Company’s shares are [REDACTED] and the requirements of the relevant governmental authorities.

Within 4 months from the ending date of an accounting year, the Company shall prepare its financial and accounting report from the previous year. The financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, and the other listing rules of the stock exchange where the Company’s shares are [REDACTED] and departmental rules.

The Company shall not establish accounts books other than the statutory account books. The asset of the Company shall not be deposited in any personal account.

The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the accumulated amount of the statutory reserve fund of the Company has reached more than 50% of the registered capital of the Company, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn according to the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders’ general meeting.

After making up the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings.

If the shareholders’ general meeting violates the provisions of the preceding paragraph and distributes profits to shareholders before the Company makes up losses and provides the statutory reserve fund, the shareholders shall return the unduly distributable profits to the Company.

No profits shall be distributed in respect of the shares held by the Company.

Reserves of the Company are used for offsetting losses of the Company, expanding the Company’s production and operation or converting into and increasing the capital of the Company. When the reserves of the Company are used to cover its losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first; if the losses still cannot be covered, the capital reserve fund may be utilized in accordance with relevant regulations.

Upon conversion of the statutory reserve fund into capital, the balance of such reserve fund shall not fall below 25% of the registered capital of the Company before the conversion.

INTERNAL AUDIT

The Company shall implement an internal audit system, and specify the leadership structure, authority and responsibilities, personnel allocation, financial support, application of audit results, and accountability for internal audit work.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall engage an accounting firm that complies with the requirements of the Securities Law, to perform audits of financial statements, verify net assets, and other related consulting services for a term of 1 year, which is renewable.

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The appointment of an accounting firm by the Company shall be determined by the shareholders’ general meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made by the shareholders’ general meeting.

The Company ensures that it will provide true and complete accounting vouchers, accounting books, financial statements and other accounting materials to the engaged accountant firm, without any refusal, concealment or misrepresentation.

When the Company dismisses or does not reappoint the accountant firm, it shall notify the accountant firm 15 days in advance, and the accountant firm shall be allowed to state its opinions when voting on the dismissal of the accountant firm at the general meeting.

If the accountant firm proposes to resign, it shall explain to the general meeting whether the Company has any inappropriate circumstances.

NOTICES AND ANNOUNCEMENTS

Notices

Notices of the Company shall be made by one of the following means:

- (I) by hand;
- (II) by mail (including electronic mail, hereinafter the same);
- (III) other means provided in the Articles of Association.

Notice of meetings of the shareholders’ general meeting and the Board of Directors shall be issued in the manner prescribed by the Articles of Association.

If the notice is sent by hand, the receiving person shall sign (or seal) the delivery receipt, and the date of receipt shall be the date of delivery; if the notice is sent by mail, the third working day from the date of handing it to the post office is the date of delivery; if the notice is sent by email, the date when the recipient receives the email at his/her designated email address will be the date of delivery. If the notice is sent by announcement, the date of first publication of announcement will be the date of delivery. If the Company’s notice is delivered by telephone, the date of delivery shall be the date on which the recipient receives the notice.

The meeting and the resolutions made at the meeting shall not be invalidated by the failure to send the meeting notice to a person who is entitled to be notified or the failure to receive the meeting notice due to accidental omission.

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

Merger, Division, Capital Increase and Reduction

In the event of any merger, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

Creditors may require the Company to repay its debt or provide a corresponding guarantee within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

Upon merger, the surviving company or the newly established company shall assume all creditor’s rights and debts of the merger parties.

In the event of division, its assets shall be divided accordingly.

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In the event of division, the Company shall prepare a balance sheet and a an inventory list for its assets, and notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

Unless otherwise agreed by the Company and its creditors in writing prior to the division with respect to the repayment of debts, the succeeding company after the division shall jointly assume the debts of the company which has incurred before such division.

The Company shall prepare a balance sheet and an inventory list for its assets in the event it is required to reduce its registered capital.

The Company shall notify its creditors within 10 days after the adoption of the relevant resolution on the reduction of the registered capital and publish announcements in the newspapers within 30 days. The creditors may require the Company to repay its debt or provide corresponding guarantees within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

The reduced registered capital of the Company may not be less than the statutory minimum.

Changes in registered particulars arising from a merger or division of the Company shall be registered with the companies registration authority according to the law. If the Company is dissolved, it shall be deregistered according to the law. If a new company is established, such establishment shall be registered according to the law.

Increase or decrease of the registered capital of the Company shall be registered with the company registration authority according to the law.

Dissolution and Liquidation

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

- (I) the term of business of the Company stipulated in the Articles of Association has expired or any other causes for dissolution stipulated in the Articles of Association has occurred;
- (II) the shareholders’ general meeting has resolved to dissolve the Company;
- (III) the merger or division of the Company requires a dissolution;
- (IV) the business license is revoked in accordance with laws, or the Company is ordered to be closed or is cancelled;
- (V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of all shareholders’ voting rights may petition to a people’s court to dissolve the Company.

Where the Company is in the situation described in items (I) above, the Company may continue to exist by amending the Articles of Association.

The amendments to the Articles of Association pursuant to the preceding paragraph are subject to the approval by shareholders holding more than two-thirds of the voting rights of the shareholders presented at the shareholders’ general meeting.

Where the Company is dissolved under items (I), (II), (IV) and (V) above. The directors are the obligors for the liquidation of the Company and a liquidation committee shall be formed within 15 days of the date of dissolution to carry out the liquidation. The liquidation team shall consist of the

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directors or any persons as determined by the general meeting. Where no liquidation team is formed within the stipulated period, the creditors may file an application with the people’s court to designate relevant persons to form a liquidation team for liquidation.

The liquidation team shall perform the following powers and duties during the period of liquidation:

- (I) to examine the assets of the Company and prepare the balance sheet and inventory sheet;
- (II) to inform creditors by notice or announcement;
- (III) to deal with outstanding businesses of the Company relating to liquidation;
- (IV) to settle the taxes in arrears and taxes incurred in the course of liquidation;
- (V) to liquidate creditor’s rights and debts;
- (VI) to allocate the remaining assets of the Company after repayment of debts;
- (VII) to represent the Company in civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his or her claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification.

The creditors lodging their claims shall explain matters relating to the claims and provide evidential documents. The liquidation committee shall register the creditors’ claims.

During the claims lodging period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the Company’s property and preparation of the balance sheet and an inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders’ general meeting or a people’s court for endorsement.

The remaining part of the Company’s assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the Company’s debts, shall be distributed to shareholders in proportion to shares held by them.

The Company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation.

The Company’s property shall not be distributed to shareholders before repayments are made in accordance with the requirements of the preceding paragraph.

After clearing the Company’s property and preparing a balance sheet and an inventory of property, if the liquidation committee finds that the Company’s property is insufficient to pay off its debts, it shall apply to the people’s court to declare bankruptcy liquidation in accordance with the law.

After the Company is declared bankrupt by a ruling of the People’s Court, the liquidation committee shall transfer all matters arising from the liquidation to the People’s Court.

Upon completion of the liquidation of the Company, the liquidation committee shall produce a liquidation report, report the same to the shareholders’ general meeting or the people’s court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company and announce the closing of the Company.

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Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance to the law.

Members of the liquidation committee shall not use their position to accept bribes or other illegal income, and they shall not expropriate the Company’s property.

Where a member of the liquidation committee causes losses to creditors arising from his or her willful or gross negligence, he/she shall be liable for compensation.

Liquidation of the Company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

- (I) following the amendment in the Company Law or the relevant laws, administrative regulations, and securities regulatory rules of the place where the Company’s shares are listed, the matters stipulated in the Articles of Association contradict provisions of the amended laws, administrative regulations, and securities regulatory rules of the place where the Company’s shares are listed;
- (II) change in the condition of the Company which makes it inconsistent with the content sets out in the Articles of Association;
- (III) the shareholders’ general meeting decides to amend the Articles of Association.