
APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides investors with an overview of the Articles of Association. The following information is provided for summary purposes only and does not constitute comprehensive information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance are issued under the same terms and at the same price. Subscribers pay the same price for each share subscribed for.

Domestic unlisted shares issued by the Company shall be centrally registered and deposited with domestic securities registration and settlement institutions. H shares may be deposited by a trustee-custodian company in accordance with the laws, securities regulatory rules and the requirements of securities registration and depository of the place where the Company’s shares are listed, and may also be held by the shareholders in their own names.

The Company issues par value shares, which are denominated in Renminbi.

SHARE ADDITIONS, REPURCHASES AND TRANSFERS

Share increase or decrease

The Company may, in accordance with the needs of its business development, and in accordance with the provisions of laws and regulations, increase its registered capital in the following ways upon the resolutions of the shareholders’ meeting:

- (1) Public issuance of shares;
- (2) Non-public issuance of shares;
- (3) Distribution of bonus shares to existing shareholders;
- (4) Capitalizing of common reserve fund;
- (5) Other methods prescribed by laws, administrative regulations, the China Securities Regulatory Commission, the Hong Kong Stock Exchange, and other relevant regulatory authorities where the Company’s shares are listed.

When a company needs to reduce its registered capital, it will prepare a balance sheet and an inventory of assets.

The Company shall notify creditors within ten days from the date of the shareholders’ meeting resolution to reduce registered capital. Within thirty days, the Company shall publish an announcement in media outlets meeting the conditions specified by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System. Additionally, in accordance with the regulatory authorities where the Company’s shares are listed, the Company shall disclose the announcement on the Hong Kong Stock Exchange’s HKExnews website (www.hkexnews.hk) and the Company’s official website. Creditors shall have the right to demand that the Company settle its debts or provide corresponding security within thirty days from the date of receiving notice, or within forty-five days from the date of the public notice if no notice was received.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Share repurchases

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

- (1) To reduce the registered capital of the Company;
- (2) Merger with other companies which hold shares of the Company;
- (3) The use of shares in employee shareholding plans or equity incentives;
- (4) The shareholder requests the company to purchase its shares due to objection to the resolution on the merger or division of the company made by the shareholders' meeting;
- (5) The conversion of shares into corporate bonds issued by the company that can be converted into share certificates;
- (6) Necessary for the Company to safeguard the Company's value and shareholders' interests.
- (7) Other circumstances permitted by laws, regulations, and the regulatory authorities where the Company's shares are listed.

Any subsidiary controlled by the Company shall not acquire the shares of the Company.

The Company may repurchase its shares through public and centralized trading or other methods as permitted by laws, administrative regulations, the CSRC, and the regulatory authorities where the Company's shares are listed. When the Company repurchases its shares in the circumstances as set out in items (3), (5) and (6) above, such repurchase shall be conducted by way of public and centralized trading.

The Company's acquisition of its own shares in the circumstances as set out in items (1) and (2) above shall be subject to the resolution of the shareholders' meeting. The Company's acquisition of its own shares in the circumstances as set out in items (3), (5) and (6) above shall be subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, and in accordance with the provisions of the Articles of Association, or approval by way of resolution at the Board meeting attended by over two-thirds of the Directors, as authorized by the shareholders' meeting.

For unlisted shares within the territory, where the Company acquires its own shares in accordance with the provisions of the first paragraph above and falls under circumstance (1), such shares shall be canceled within ten days from the date of acquisition; For situations falling under items (2) and (4), the shares shall be transferred or canceled within six months; for situations falling under items (3), (5), and (6), the total number of shares held by the company shall not exceed ten percent of the Company's total issued shares, and such shares shall be transferred or canceled within three years. If laws, regulations, and the securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding matters related to share repurchases, those provisions shall prevail.

When the Company acquires its own shares, it shall fulfill the obligation of information disclosure in accordance with laws, regulations, the regulatory rules of the place where the Company's shares are listed, and other relevant provisions.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Transfer of shares

Shares issued by the Company prior to its [REDACTED] shall not be transferable within one year from the date on which the shares of the Company are [REDACTED] and [REDACTED] in a stock exchange.

The Company’s directors and senior executives shall report the shares (including preferred shares) they hold in the Company and any changes in them to the Company. The number of shares transferred annually during the term of office shall not exceed 25% of the total number of shares of the same class held by him in the Company; the shares held by the Company’s directors and senior executives shall not be transferred within one year from the date of [REDACTED] and [REDACTED] of the Company’s shares. The above personnel shall not transfer the Company’s shares held by them within half a year after their departure. Where laws, regulations, the CSRC, and/or the listing rules of the place where the Company’s shares are [REDACTED] provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

SHAREHOLDERS AND SHAREHOLDERS’ MEETINGS

Shareholders

The Company shall, based upon the certificates provided by the securities registration and settlement authority, establish a register of shareholders which is the sufficient evidence for the holding of shares in the Company by a shareholder. Shareholders shall have rights and assume obligations as per the class of their shares; shareholders holding shares of the same class shall have the same rights and assume the same obligations.

Holder of shares of the Company shall enjoy the following rights:

- (1) Exercise voting and speaking rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association, unless required to abstain from voting on specific matters under the Hong Kong Stock Exchange Listing Rules;
- (2) To receive dividends and other forms of distributions of benefits in proportion to their shareholdings;
- (3) To request, convene and preside over, attend by person or by proxy into shareholders’ meeting in accordance with law, and to exercise the corresponding speaking and voting rights in proportion to its shareholding;
- (4) To supervise the operation of the Company, and to make proposals or enquiries in relation thereto;
- (5) To transfer, donate or pledge shares in accordance with laws and administrative regulations and the provisions of these Articles of Association;
- (6) To inspect and copy the Articles of Association, register of shareholders, minutes of shareholders’ meeting, resolutions of meetings of the Board of Directors and financial accounting reports, and shareholders who meet the requirements may inspect the Company’s accounting books and certificates of account;
- (7) In the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (8) With respect to shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;
- (9) To inspect at the Hong Kong branch register of shareholders of the Company. However, the register of shareholders of the Company may be closed on terms equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
- (10) Other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If a resolution passed at the shareholders' meeting or meeting of the Board of the Company violates the laws or administrative regulations, the shareholders shall have the rights to submit a petition to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, the shareholders' meeting or meeting of the board of directors violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the People's Court to revoke such resolution within sixty days from the date on which such resolution is adopted. However, this shall not apply when there are only minor defects in the convening procedures or voting method of the shareholders' meeting or meeting of the board of directors, which do not materially affect the resolution.

The Company's shareholders shall have the following obligations:

- (1) To comply with the laws, administrative regulations and these Articles of Association;
- (2) To pay capital contribution as per the shares subscribed for and the method of subscription;
- (3) Not to withdraw capital contribution, unless in the circumstances stipulated by the laws and regulations;
- (4) Not to damage any of the interests of the Company or other shareholders by abusing the shareholder's rights, nor damage the interests of any creditor of the Company by abusing the independent status of the Company as a legal person and limited liability of shareholders;
- (5) Any other obligations prescribed by the laws, administrative regulations, the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

General requirements of shareholders' meetings

The shareholders' meeting of the Company shall comprise all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and rights in accordance with the law:

- (1) Elect and replace directors and make decisions on matters relating to the remuneration of such directors;
- (2) To consider and approve the reports of the board of directors;
- (3) To consider and approve the profit distribution plan and plan for making up losses of the Company;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) To decide on increasing or reducing the registered capital of the Company;
- (5) To make resolutions on the issuance of corporate bonds;
- (6) Resolve on the merger, division, dissolution, liquidation (including voluntary liquidation), or change of corporate form of the Company;
- (7) Amend the Articles of Association;
- (8) To pass resolutions on the engagement or dismissal of accounting firms undertaking the Company's audit work and determining their remuneration by the Company;
- (9) To consider and approve the guarantees as stipulated in Article 47 of the Articles of Association;
- (10) To consider matters relating to the purchase or disposal of material assets by the Company within one year in an amount representing more than 30 percent of the Company's latest audited total assets;
- (11) To consider and approve the change of use of proceeds;
- (12) To consider equity incentive plans and employee stock ownership schemes;
- (13) To consider other matters that require to be resolved by the shareholders' meeting as prescribed by laws, administrative regulations, departmental rules, the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

The following external guarantees of the Company must be subject to consideration and passing at the shareholders' meeting:

- (1) Any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;
- (2) A guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited total assets;
- (3) A guarantee provided to others with an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (4) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (5) The amount of a single guarantee exceeding 10% of the latest audited net assets;
- (6) Provision of guarantee to shareholders, de facto controllers and their connected parties;
- (7) Other guarantee situations required to be reviewed by the shareholders' meeting as stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

An extraordinary shareholders' meeting shall be convened by the Company within two months of the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number specified in the Company Law or two-thirds of the number as required by the Articles of Association;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (2) When the Company's accumulated losses not yet made up have reached one-third of its total share capital;
- (3) Where shareholders who individually or jointly hold no less than 10% of the Company's shares (including preferred shares with restored voting rights) request holding of such a meeting;
- (4) When the Board deems it necessary to convene the meeting;
- (5) When the Audit Committee proposes to convene a meeting;
- (6) Any other circumstance conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Convening of the Shareholders' Meeting

The Board shall timely convene the shareholders' meeting within the timeframe as required.

With the approval by a majority of all independent directors, the independent directors shall have the right to propose to the Board convene an extraordinary shareholders' meeting. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders' meeting within ten days of receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution; if the Board does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons.

The Audit Committee has the right to propose to the Board to convene an extraordinary shareholders' meeting and shall submit the proposal in writing to the Board. The Board, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders' meeting within ten days of receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board is unable or unwilling to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold 10% or more of the Company's shares have the right to request the Board to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to respond within 10 days after receiving the request, shareholders holding more than 10% of the Company's shares (including preferred shares with restored voting rights, etc.) either individually or jointly who propose to the Audit Committee to convene an extraordinary shareholders' meeting shall submit a written request to the Audit Committee.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

If the Audit Committee agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the shareholders’ meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the shareholders’ meeting, and shareholders holding 10% or more of the Company’s shares (including preferred shares with restored voting rights, etc.) separately or jointly for 90 consecutive days or more may convene and preside over the meeting on their own.

Notice of Shareholders’ Meeting

The convener shall notify shareholders by public announcement at least twenty days prior to the annual shareholders’ meeting. For extraordinary shareholders’ meetings, notification shall be provided at least fifteen days in advance via public announcement. The calculation of the starting date shall not include the date on which the meeting is convened. Notice of a shareholders’ meeting shall be given to shareholders in a manner that complies with laws, administrative regulations, the Hong Kong Stock Exchange Listing 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’ meeting shall include the following content:

- (1) The time, place, and duration of the meeting;
- (2) The matters and proposals to be reviewed at the meeting;
- (3) Particulars shall be in clear text that all shareholders are entitled to attend shareholders’ meeting and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;
- (4) The record date for shareholders entitled to attend the shareholders’ meeting;
- (5) The name and telephone number of the standing contact person for the meeting;
- (6) The time and procedure for voting by network or other means.
- (7) Other information required to be disclosed under the Listing Rules. The notice of the shareholders’ meeting and any supplementary notices shall fully and completely disclose the full details of all proposals.

Proposals of the Shareholders’ Meeting

The content of the proposals shall fall within the scope of the shareholders’ meeting’s authority, have clear topics and specific resolution matters, and 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.

When the Company convenes a shareholders’ meeting, the Board, the Audit Committee, and shareholders who individually or collectively hold 1% or more of the Company’s shares shall have the right to submit proposals to the Company.

Shareholders holding 1% or more of the Company’s shares separately or jointly may submit temporary proposals in writing to the convener ten days before the shareholders’ meeting. The convener shall issue a supplementary notice of the shareholders’ meeting within two days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the shareholders’ meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the shareholders’ meeting’s authority, shall be excluded.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders’ meeting or add new proposals after issuing the notice of the shareholders’ meeting.

Proposals not listed in the notice of the shareholders’ meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the shareholders’ meeting.

Proxy of the Shareholders’ Meeting

Shareholders may attend the shareholders’ meeting in person, or entrust proxies to attend and vote on their behalf. Shareholders have the right to appoint one or more proxies, but the proxies need not be shareholders of the Company. The shareholder’s proxies may, in accordance with the shareholder’s entrustment, exercise the following rights:

- (1) The shareholder’s right to speak at the shareholders’ meeting;
- (2) The right to demand a poll, either on their own or jointly with others;
- (3) Except as otherwise provided by relevant laws, administrative regulations, and the Listing Rules of the Hong Kong Stock Exchange or the regulatory rules of the place where the Company’s shares are listed, the right to vote shall be exercised by a show of hands or by poll, provided that the proxies of a shareholder who has appointed more than one proxies may only vote by poll.

Individual shareholders who attend the meeting in person shall produce their identity cards or other effective documents or proofs of identity. Proxies who attend the meeting shall produce their effective identification documents and the proxy form.

Corporate Shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she should produce his/her identity card, valid proof that can prove his/her qualification as a legal representative; if a proxy attends the meeting, the proxy should produce his/her identity card, proxy form issued by the legal representative of the corporate shareholder according to laws (except for shareholders who are recognized clearing houses or their nominees as defined in the relevant ordinances of the laws of Hong Kong in effect from time to time or the securities regulatory rules of the place where the Company’s shares are listed (hereinafter referred to as “Recognized Clearing House”)).

If a shareholder is a Recognized Clearing House (or its nominee), the Recognized Clearing House may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders’ meetings or creditors’ meetings; however, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is authorized. The person so authorized may exercise the rights on behalf of the Recognized Clearing House (without being required to present share certificate, notarized authorization and/or further evidence to prove that he/she is duly authorized), as if he/she was an individual shareholder of the Company.

A proxy form issued by a shareholder to appoint another person as his/her proxy to attend the shareholders’ meeting shall contain the following information:

- (1) the name or title of the appointer, the class and number of the Company’s shares represented;
- (2) the name or title of the proxy;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) the matters for which the proxy is appointed and the scope of authorization, specific instructions given by the shareholder, including instructions as to cast votes for, against or abstain on each proposal set out in the agenda of the shareholders' meeting;
- (4) the signing date and validity period of the proxy form;
- (5) signature (or seal) of the appointing shareholder. If the appointing shareholder is a corporate shareholder, the proxy form shall be affixed with the seal of the legal person.

Voting of Shareholders' Meetings

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

A special resolution at a shareholders' meeting shall be passed by over two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

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

- (1) work reports of the Board;
- (2) the profit distribution plan and the plan for making up losses prepared by the Board;
- (3) appointment or removal of the members of the Board, and their remuneration and the payment methods;
- (4) engagement, dismissal or non-reappointment of the accounting firm and its remuneration;
- (5) annual report of the Company;
- (6) other matters other than those shall be approved by special resolutions stipulated in the 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 approved by special resolutions at the shareholders' meeting:

- (1) the increase or reduction of the registered capital of the Company;
- (2) the division, spin-off, merger, dissolution and liquidation of the Company;
- (3) amendment to the Articles of Association;
- (4) the purchase and sale of material assets or amount of guarantee provided to other persons by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (5) stock incentive plans;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (6) other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the shareholders’ meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote. On a poll taken at a meeting, shareholders (including proxies) having two or more votes need not cast all their votes for, against or abstain from voting. However, the shares of the Company held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders’ meeting.

The shares of the Company held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders’ meeting.

If any shareholder, under applicable laws and regulations and the Listing Rules of the Hong Kong Stock Exchange, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders’ meeting for thirty-six months after the purchase.

The Company’s Board, independent non-executive Directors, shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders’ voting rights. When soliciting shareholders’ voting rights, the specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited. Compensation or disguised compensation for soliciting shareholders’ voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

Directors and Board of Directors

Directors

Directors shall be elected or replaced at the shareholder’s meeting and may be dismissed by the shareholders’ meeting prior to the expiry of the term of their office. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director until a re-elected Director takes office in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

A Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office for a term commencing from the date of his/her appointment until the first annual general meeting after his/her appointment, and shall then be eligible for re-election and re-appointment.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

The Board of Directors of the Company shall have one employee representative Director, who shall be elected by the Company’s employees at the employee representatives meeting or otherwise democratically, without the need to be submitted to the shareholders’ meeting for consideration.

Chairman

The Company shall have a Board of Directors, which shall have one chairman. The chairman shall be elected by more than half of all the members of the Board of Directors.

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

- (1) to preside over shareholders’ meetings, convene and preside over the Board meetings;
- (2) to monitor and check the implementation of the Board’s resolutions;
- (3) other functions and powers as authorized by the Board.

Where the chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by a Director jointly elected by more than half of the Directors.

Board of Directors

The Board of Directors consists of eight Directors, including five executive Directors and three independent non-executive Directors.

The Board shall exercise the following functions and powers:

- (1) to convene shareholders’ meetings and report its work to the shareholders’ meetings;
- (2) to implement the resolutions of the shareholders’ meetings;
- (3) to determine the business operation plans and investment plans of the Company;
- (4) to determine the Company’s annual financial budget and final accounting proposals;
- (5) to approve the annual report of the Company;
- (6) to formulate the Company’s profit distribution plan and the plan for making up losses;
- (7) to formulate debt and financial policies of the Company, plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (8) to formulate plans for significant acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution or change of the form of the Company;
- (9) to determine, to the extent authorized by the shareholders’ meeting, on such matters as the external investments, acquisition or disposal of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company;
- (10) to determine the establishment of the Company’s internal management organization;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (11) to determine the appointment or dismissal of the general manager of the Company, the secretary to the Board and other senior management personnel, and determine their remuneration, rewards and penalties; and based on the nomination of the general manager, to determine the appointment or dismissal of the senior management personnel including the deputy general manager and chief financial officer of the Company and determine their remuneration, rewards and penalties;
- (12) to formulate the basic management system of the Company;
- (13) to formulate proposals for any amendment to the Articles of Association;
- (14) to manage the information disclosure of the Company;
- (15) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (16) to listen to work reports of the general manager of the Company and review the work of the general manager;
- (17) other functions and powers as stipulated in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or as authorized by the shareholders' meeting.

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

The Board shall convene at least four meetings each year, which shall be convened by the chairman of the Board. The regular meeting of the Board of Directors referred to in this article shall be notified in writing to all Directors fourteen (14) days prior to the convening of the meeting.

Shareholders representing over 1/10 of the voting rights, over 1/3 of the Directors or the Audit Committee may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the Board meeting within 10 days from the receipt of the proposal.

The notice of an extraordinary meeting of the Board shall be served by: phone and/or in writing (including personal delivery, post, facsimile or e-mail). The time limit of such notice shall be: five (5) days prior to the convening of the meeting, and all Directors shall be notified. Upon unanimous consent of all Directors, extraordinary meetings of the Board may not be subject to the above time limit for notice, however, all Directors shall be notified in a timely manner, and this should be recorded in the Board of Directors minutes and signed by all Directors attending the meeting.

The first meeting after the change of session of the Board of Directors may be convened on the date of the change of session, and the time of convening the meeting is not subject to the restrictions on the method and time of notice in the first paragraph.

The quorum of a Board meeting shall be more than half of all Directors. A resolution of the Board shall be passed by more than half of all Directors.

As for the voting on a Board resolution, each Director shall have one vote.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Where a Director has any connected relationship with the enterprise or individuals involved in the matter to be decided at the Board meeting, he/she shall report to the Board in writing timely and shall not exercise his/her voting rights on the resolution, nor shall he/she exercise voting rights on behalf of other Directors. The quorum of such a Board meeting shall be more than half of all the non-connected Directors, and the resolutions made at such Board meeting shall be approved by more than half of all the non-connected Directors. If the number of non-connected Directors present at the Board is less than 3, the matter shall be submitted to the shareholders' meeting for consideration.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his/her behalf, he/she shall be deemed to abstain from voting at such meeting.

Audit Committee of the Board

The Board of Directors of the Company shall establish an audit committee, which shall perform the functions and powers of a supervisory committee as stipulated under the Company Law.

The Audit Committee shall consist of three members and shall be elected by the Board of Directors. All of the members shall be Directors who do not hold any senior management positions within the Company, with a majority being independent non-executive Directors. The convener of the committee shall be an independent non-executive Director with professional accounting qualifications.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration only after obtaining the consent of more than half of all members of the Audit Committee:

- (1) disclosure of financial information in financial and accounting reports and periodic reports, as well as the internal control evaluation reports;
- (2) appointment or dismissal of the accounting firm responsible for auditing of the Company;
- (3) appointment or dismissal of the chief financial officer of the Company;
- (4) changes to accounting policies or accounting estimates, or corrections of significant accounting errors, except those resulting from changes in accounting standards;
- (5) other matters as stipulated by laws, administrative regulations, requirements of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Audit Committee shall convene at least one meeting each quarter. An interim meeting may be convened upon the proposal of two or more members or when the convener deems it necessary. Meetings of the Audit Committee shall be held only when more than two-thirds of its members are in attendance.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Other Special Committees of the Board

The Board of the Company shall establish other special committees such as the Nomination Committee and the Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Proposals from the special committees shall be submitted to the Board for consideration and decision. The working rules of the special committees shall be formulated by the Board. The composition of the special committees shall comply with the relevant requirements of the laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and other securities regulatory rules of the place where the Company’s shares are listed or as required by relevant regulatory authorities.

Senior Management Personnel

The Company shall have a general manager and several deputy general managers, all of whom shall be appointed or dismissed by the Board of Directors.

The Company shall have a chief financial officer and a secretary to the Board who shall be appointed or dismissed by the Board of Directors upon the proposal of the general manager.

The general manager, deputy general managers, chief financial officer, secretary to the Board and other senior management personnel shall serve terms of three years and may serve consecutive terms if reappointed.

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

- (1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report on his or her work to the Board of Directors;
- (2) to arrange for the implementation of the Company’s annual business operation plans and investment plans;
- (3) to formulate the plan for establishment of the Company’s internal management organization;
- (4) to formulate the basic management system of the Company;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors on the appointment or dismissal of the Company’s deputy general managers, chief financial officer, secretary to the Board and other senior management personnel;
- (7) to determine the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (8) to consider and approve the general connected transactions, except for the connected transactions which require to be submitted to the Board of Directors or the shareholders’ meeting for approval in accordance with the Articles of Association;
- (9) to consider and approve other significant transactions, external investments and external guarantees, except for those which require to be submitted to the Board of Directors or the shareholders’ meeting for approval in accordance with the Articles of Association;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (10) to decide on the establishment of wholly-owned subsidiaries and/or branches of the Company;
- (11) other functions and powers as stipulated in the Articles of Association, the securities regulatory rules of the place where the shares of the Company are listed, or as authorized by the Board of Directors.

The general manager shall be present at the Board meeting in a non-voting capacity.

Qualifications and Obligations of Directors and Senior Management Personnel of the Company

Article 1 A person may not serve as a Director of the Company in case of any of the following circumstances:

- (1) the person without capacity or with limited capacity for civil acts;
- (2) the person who has committed an offense of corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of the socialist market economy and has been punished therefor, or who has been deprived of political rights as a result of any criminal offenses, in each case where less than 5 years have elapsed since the date of the completion of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiration of the probation period;
- (3) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (4) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license and being ordered to close down;
- (5) the person listed as a judgment defaulter by the people's court because a comparatively large amount of debt has fallen due but has not been settled;
- (6) the person has been banned by the CSRC from access to the securities market, and the period of such ban has not expired;
- (7) the person has been deemed by the securities regulatory rules of the place where the shares of the Company are listed to be unfit for the position of director or senior management personnel of a listed company, and the period of such prohibition has not expired;
- (8) other contents stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where a Director is elected or appointed in violation of the provisions of this Article, the election, appointment or engagement shall be void. If a Director is involved in the circumstances set out in this Article during his/her term of office, the Company shall remove him/her from office and suspend his/her performance of duties.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

FINANCIAL ACCOUNTING SYSTEM

The Company shall formulate its financial accounting systems in accordance with the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and requirements of relevant departments.

The Company shall prepare its annual financial accounting reports within 4 months from the end date of each fiscal year, and prepare its interim financial accounting reports within 2 months from the end date of the first 6 months of each fiscal year.

The aforesaid financial accounting reports are prepared and issued in accordance with the relevant laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and other securities regulatory rules of the place where the shares of the Company are listed.

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

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company’s statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company’s registered capital, no further allocation 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 for the said losses before any statutory reserve fund is withdrawn according to the provision of the preceding paragraph.

Subject to a resolution passed at a shareholders’ meeting, after allocation has been made to the Company’s statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits.

Except for those not distributed in proportion to the shareholdings as prescribed in the Articles of Association, the remaining after-tax profits, after recovery of losses and allocation to the reserve funds, shall be distributed to shareholders in proportion to their shareholdings.

If the Company distributes profits to shareholders in violation of the Company Law, shareholders shall return to the Company the profits distributed in violation of the provisions; if losses are caused to the Company, the shareholders and the responsible Directors and senior management personnel shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The Company shall appoint one or more receiving agents in Hong Kong for holders of H shares. The receiving agent shall receive and safekeep the dividends and other amounts payable by the Company in respect of the H shares on behalf of the holders of H shares concerned, pending payment to such holders of H shares. The receiving agent appointed by the Company shall comply with the requirements of the laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed.

The reserve fund of the Company shall be used for making up for the losses, expansion of the operation or increase of registered capital of the Company.

The discretionary reserve fund and the statutory reserve fund shall first be used in making up for the losses of the Company, and for any losses left to be set off, the capital reserve fund may be utilized in accordance with the provisions.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

When the statutory reserve fund is converted into an increase in registered capital, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

Internal Audit

The Company implements an internal audit system, which clarifies the leadership system, responsibilities and powers, staffing, financial guarantees, application of audit results, and accountability for internal audit work.

The Company’s internal audit system shall be implemented after being approved by the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law, for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment and dismissal of an accounting firm by the Company shall be subject to the approval of the shareholders’ meeting. The Board shall not appoint an accounting firm before the approval of the shareholders’ meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any refusal, withholding and misrepresentation.

Merger, Division, Capital Increase and Capital Reduction

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

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

Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the resolution of the shareholders’ meeting, unless otherwise provided for in the Articles of Association. Any merger of the Company not subject to the resolution of the shareholders’ meeting under the preceding paragraph shall be subject to the resolution of the Board.

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 an inventory of assets. The Company shall notify its creditors within 10 days from the date of the resolution for the merger and shall publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company’s official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

The creditors may request the Company to repay its debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

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 an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the resolution for the division and shall publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company’s official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

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

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of approval of the resolution for the reduction of the registered capital at the shareholders’ meeting and shall publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company’s official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed. The creditors have the right to request the Company to repay its debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice.

In case of any reduction in registered capital, unless otherwise provided by laws or the Articles of Association, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shareholdings of the shareholders.

If the Company remains in a loss position after making up for its losses in accordance with paragraph 2 of Article 148 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital contribution or payment on shares. The provisions of paragraph 2 of Article 172 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. However, the Company shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) in accordance with the securities regulatory rules of the place where the shares of the Company are listed, and publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days from the date of approval of the resolution for the reduction of the registered capital at the shareholders’ meeting. Upon reduction of its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company’s registered capital.

In the event of a merger or division of the Company, if there is a change in the registration items, the Company shall register such changes with the company registration authority in accordance with the laws. If the Company is dissolved, deregistration shall be registered in accordance with the laws. If a new company is established, its establishment shall be registered in accordance with the laws.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

If the Company increases or reduces its registered capital, changes shall be registered with the company registration authority in accordance with the laws.

Dissolution and Liquidation

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

- (1) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (2) a resolution on dissolution is passed by a shareholders’ meeting;
- (3) dissolution is required due to the merger or division of the Company;
- (4) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (5) the Company has serious difficulties in operation and management, and its continued existence would cause significant losses to the shareholders’ interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of the Company may request the people’s court to dissolve the Company.

In the event that the Company has the causes of dissolution as prescribed in the preceding paragraph, it is obligated to disclose the causes of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to categorize the Company’s assets and prepare a balance sheet and an inventory of assets, respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to deal with and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes and any tax that arises during the liquidation process;
- (5) to settle claims and debts;
- (6) to allocate the remaining assets after repayment by the Company of its debts;
- (7) to represent the Company in any civil proceedings.

The liquidation committee shall notify the creditors within 10 days since its establishment, publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 60 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) in accordance with the securities regulatory rules of the place where the shares of the Company are listed. The creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Creditors shall explain the relevant particulars of their claims and provide supporting materials upon their declarations of such claims. The liquidation committee shall register the claims.

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

After clearing the assets of the Company and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same at the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of the staff, outstanding taxes and debts of the Company, shall be distributed by the Company to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding provisions.

If the liquidation committee, after clearing the assets of the Company and preparing a balance sheet and an inventory of assets, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the people's court for bankruptcy liquidation.

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

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

Amendments to the Articles of Association

Under any of the following circumstances, the Company shall amend the Articles of Association:

- (1) after amendments are made to the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed;
- (2) there are changes in the Company which result in inconsistencies with the matters recorded in the Articles of Association;
- (3) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration particulars of the Company, registration for such changes shall be made in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting regarding the amendments to the Articles of Association and the review comments from relevant competent authorities.

Where the amendments to the Articles of Association constitute information that shall be disclosed according to the laws, regulations or the securities regulatory rules of the place where the shares of the Company are listed, the amendments shall be announced as required.