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ISSUANCE OF SHARES

Shares shall be issued by a company under the principles of transparency, fairness and equitableness, and each share of the same class shall have the same rights.

For the same category of shares issued in the same offering, the issuance conditions and price per share shall be identical; the subscribers shall pay the same price for each share subscribed.

INCREASE AND DECREASE OF CAPITAL AND REPURCHASE OF SHARES

Capital Increase

The Company may, upon resolution by the Shareholders’ meeting, adopt the following methods to increase its capital based on its business and development needs and pursuant to the laws, administrative regulations and provisions of the securities regulatory authority where our shares are [REDACTED]:

- (I) issuance of shares to unspecified objects;
- (II) issuance of shares to specified objects;
- (III) distribution of bonus shares to existing shareholders;
- (IV) conversion of reserve to increase share capital; and
- (V) other methods approved by laws, administrative regulations and provisions of the securities regulatory authority where our Company’s shares are [REDACTED].

Capital Decrease

The Company may reduce its registered capital in accordance with laws, administrative regulations, departmental rules, securities regulatory rules where the Company’s shares are [REDACTED] and the Articles of Association.

When reducing capital, the company shall prepare a balance sheet and property list. It shall notify creditors within 10 days of the Shareholders’ meeting resolution, and announce the matter within 30 days on a qualified media, the National Enterprise Credit Information Publicity System and the HKEXnews website of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Creditors shall have the right to demand debt settlement or guarantees within 30 days of receiving the notice (or 45 days of the announcement if no notice is received).

Capital reduction shall be proportional to shareholders’ shareholding ratios, unless otherwise stipulated by laws or the Articles of Association.

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Share Repurchase

The Company shall not repurchase its own shares except under the following circumstances:

- (I) Reduction of registered capital;
- (II) Merger with another company holding its shares;
- (III) use of shares for employee stock ownership plan or equity incentives;
- (IV) a shareholder's objection to the resolution on the company's merger or division passed by the Shareholders' meeting, requesting the company to acquire its shares;
- (V) use of shares for conversion of corporate bonds issued by the company that can be converted into shares;
- (VI) necessity for the purpose of maintaining the value of the company and shareholders' equity;
- (VII) other circumstances stipulated by laws, regulations departmental rules, and securities regulatory rules where the Company's shares are [REDACTED].

The Company may acquire its own shares through open centralized trading, or other methods recognized by laws, administrative regulations, the securities regulatory authorities and stock exchanges of the places where the Company's shares are [REDACTED].

The Company shall acquire its own shares through open centralized trading under the circumstances stipulated in items (III), (V) and (VI) of the first paragraph of Article 25 of the Articles of Association. A resolution shall be passed at the Shareholders' meeting when the Company is to acquire its own shares under the circumstances (I) and (II) set out in the first paragraph of Article 25 of the Articles of Association. In case of the circumstances stipulated in items (III), (V) and (VI) of the first paragraph of Article 25, the Company may, in accordance with the provisions of the Articles of Association or the authorization of the Shareholders' meeting, and in compliance with the applicable securities regulatory rules of the place where the Company's shares are [REDACTED], pass a resolution at a Board meeting attended by more than two-thirds of the Directors.

After the Company has acquired its own shares in accordance with the provisions of the first paragraph of Article 25, subject to the applicable securities regulatory rules of the place where the Company's shares are [REDACTED], if it falls under circumstance (I), the acquired shares shall be cancelled within 10 days from the date of acquisition; if it falls under circumstances (II) or (IV), the acquired shares shall be transferred or cancelled within 6 months; if it falls under circumstances (III), (V), or (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

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When the Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law and the securities regulatory rules of the place where the Company’s shares are [REDACTED]. Where the securities regulatory rules of the place where the Company’s shares are [REDACTED] stipulate otherwise, such provisions shall prevail, provided that they do not contravene the Company Law, the Securities Law and other laws and regulations, or the Guidelines for Articles of Association of Listed Companies and other applicable relevant domestic laws and regulations.

Share Transfer

Shares of a company shall be transferred pursuant to the laws, administrative regulations, securities regulatory rules where the Company’s shares are [REDACTED].

All transfers of [REDACTED] shall be effected by an instrument of transfer in common or ordinary form or in any other form acceptable to the Board (including the standard transfer form or transfer table as may be prescribed by the [REDACTED] from time to time); and such instrument of transfer may only be executed by hand or by affixing the valid seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (hereinafter referred to as the Recognized Clearing House) or its agent as defined by the relevant ordinances in force in Hong Kong from time to time, the instrument of transfer may be signed by hand or by machine print. All instruments of transfer shall be kept at the Company’s registered address or at such other address as the Board may from time to time designate.

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

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and settlement institutions. The register of shareholders is adequate evidence of shareholding by shareholders.

Shareholders shall enjoy the rights and bear the obligations by the type of shares held; shareholders who hold the same type of shares shall enjoy the same rights and bear the same type of obligations.

Rights and Obligations of Shareholders

The rights of our shareholders are as follows:

- (I) to receive dividends and other forms of interest distribution according to the number of shares held;
- (II) to legitimately request, convene, chair, attend, or appoint proxies to attend the shareholders general meeting, speak at the meeting, and exercise voting rights (except where voting rights must be waived on specific matters according to securities regulatory rules where our Company’s shares are [REDACTED]);

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- (III) to supervise our company’s business operations, propose suggestions, or make inquiries;
- (IV) to transfer, donate, and pledge their shares in accordance with laws, administrative regulations, relevant securities regulators rules, and the Articles of Association;
- (V) to read and copy the Articles of Association, register of shareholders, minutes of shareholders’ meetings, resolutions of board meetings and financial accounting reports; qualified shareholders may consult the Company’s accounting books and accounting vouchers; if the securities regulatory rules of the place where the company’s shares are [REDACTED] provide otherwise, such rules shall prevail;
- (VI) to participate in the distribution of residual property based on their shareholding upon termination or liquidation of the company;
- (VII) dissenting shareholders who object to resolutions on our Company’s merger or division passed at the shareholders general meeting are entitled to demand that the Company purchase their shares;
- (VIII) to read the Hong Kong branch of the shareholder register, but the Company may temporarily suspend shareholder registration handling under terms equivalent to Section 632 of the Companies Ordinance (Cap. 622). (provided that any such suspension period shall not exceed 30 days and an announcement shall be published at least 7 business days in advance);
- (IX) any other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules where the Company’s shares are [REDACTED], or the Articles of Association.

The obligations of Shareholders are as follows:

- (I) to comply with laws, administrative regulations, departmental rules, securities regulatory rules where the Company’s shares are [REDACTED] and the Articles of Association;
- (II) to pay subscription monies according to the shares subscribed for and the method of subscription;
- (III) not to withdraw Shares except as prescribed by the law or regulations;
- (IV) not to abuse Shareholders rights to damage the company or other shareholders’ interests; not to abuse the independent legal person status of the company and the limited liability of the shareholders to damage the interests of creditors;
- (V) other obligations conferred by laws, administrative regulations, departmental rules, securities regulatory rules where the Company’s shares are [REDACTED], and the Articles of Association.

Shareholders who abuse their shareholder’s rights and cause the company or other shareholders to suffer losses shall be liable for compensation in accordance with the law.

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Shareholders who abuse the independent legal person status of the company and shareholder’s limited liability to evade debts and seriously damage the interests of creditors of the company shall bear joint and several liability for the debts of the company.

SHAREHOLDERS MEETINGS

General Provisions for Shareholders meetings

The Shareholders’ meeting of the Company is composed of all shareholders. The Shareholders’ meeting is an organisation of authority of the Company and exercises the following powers pursuant to the law:

- (I) electing and replacing the Directors, and deciding the remuneration matters of Directors;
- (II) deliberating and approving the reports of Board of directors;
- (III) deliberating and approving the profit distribution plan and loss compensation plan of the company;
- (IV) making resolution on increasing or decreasing the registered capital of the company;
- (V) making resolution on the issuing of company bonds;
- (VI) making resolution on merger, division, dissolution, liquidation or changing the form of the company;
- (VII) amending the Articles of Association;
- (VIII) making resolution on engagement and dismissal of the accountant firm that undertakes the auditing of the company;
- (IX) deliberating and approving transactions or external guarantees that should be decided by the shareholders general meeting according to laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED], the Articles of Association and the Rules of Procedure for Shareholders Meetings;
- (X) deliberating purchases and sales of significant assets within a year exceeding 30% of the most recently audited total assets of the company;
- (XI) authorizing the Board of Directors to make resolutions regarding the issuance of shares and bonds convertible into shares by the Company, subject to compliance with all applicable laws, regulations and the securities regulatory rules of the place where the Company’s shares are [REDACTED];
- (XII) deliberating and approving changes in usage of raised funds;
- (XIII) deliberating equity incentive plans and employee stock ownership plans;

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(XIV) deliberating on transactions of the Company that require shareholder approval pursuant to the Hong Kong Listing Rules;

(XV) deliberating other matters which shall be decided by the Shareholders’ meeting as required the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association.

The Shareholders’ meeting may authorize or delegate to the Board of Directors to handle such matters as it may authorize or delegate, subject to compliance with all applicable laws, regulations, the rules of the CSRC and the securities regulatory rules of the place where the Company’s shares are [REDACTED].

Convening of Shareholders’ Meetings

The Shareholders’ meeting shall be convened by the Board of Directors, which shall convene the Shareholders’ meeting within the prescribed period.

Upon consent by more than half of all the independent non-executive Directors, the independent non-executive Directors may propose to the Board of Directors to convene an extraordinary shareholders’ meeting. Where independent non-executive Directors propose to convene an extraordinary shareholders’ meeting, the Board of Directors shall provide written feedback on approval or non-approval of convening of an extraordinary shareholders’ meeting within 10 days from receipt of the proposal pursuant to the provisions of laws, administrative regulations, and the Articles of Association.

Where the Board of Directors gives consent to convening of an extraordinary shareholders’ meeting, a notice on convening of shareholders’ meeting shall be issued within 5 days after the board resolution is passed; if the Board of Directors does not give consent to convening of an extraordinary shareholders’ meeting, it shall state the reasons and make an announcement.

Where the audit committee proposes to the Board of Directors on convening of an extraordinary shareholders’ meeting, the proposal shall be made in writing to the Board of Directors. The Board of Directors shall provide written feedback on approval or non-approval of convening of an extraordinary shareholders’ meeting within 10 days from receipt of the proposal pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Articles of Association.

Where the Board of Directors gives consent to convening of an extraordinary shareholders’ meeting, a notice on convening of shareholders’ meeting shall be issued within 5 days after the board resolution is passed; any change to the original proposal in the notice shall be approved by the audit committee.

Where the Board of Directors does not give consent to convening of an extraordinary shareholders’ meeting or does not issue feedback within 10 days from receipt of the proposal, the Board of Directors shall be deemed as unable to perform or failed to perform the duties of convening of shareholders’ meeting, and the audit committee may convene and chair the Shareholders’ meeting on its own.

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A shareholder who individually or jointly holds 10% or more of the company’s shares (including preferred shares with resumed voting rights etc.) shall make a request to the Board of Directors in writing to convene an extraordinary shareholders’ meeting. The Board of Directors shall provide written feedback on approval or non-approval of convening of an extraordinary shareholders’ meeting within 10 days from receipt of the request pursuant to the provisions of laws, administrative regulations the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Articles of Association.

Where the Board of Directors gives consent to convening of an extraordinary shareholders’ meeting, a notice on convening of shareholders’ meeting shall be issued within 5 days after the board resolution is passed; any change to the original request in the notice shall be approved by the relevant shareholders.

Where the Board of Directors does not give consent to convening of an extraordinary shareholders’ meeting, or does not provide feedback within 10 days from receipt of the request, a shareholder who individually or jointly holds 10% or more of the company’s shares proposes to the audit committee to convene an extraordinary shareholders’ meeting, the request shall be made to the audit committee in writing.

Where the audit committee gives consent to convening of an extraordinary shareholders’ meeting, a notice on convening of shareholders’ meeting shall be issued within 5 days from receipt of the request; any change to the original request in the notice shall be approved by the relevant shareholders.

Where the audit committee does not issue a notice of shareholders’ meeting within the stipulated period, the audit committee shall be deemed not to convene and chair the Shareholders’ meeting, and a shareholder who individually or jointly holds 10% or more of the company’s shares for 90 or more consecutive days may convene and chair the Shareholders’ meeting on his/her own.

If the Audit Committee or shareholders decide to convene a Shareholders meeting on their own, they must notify the Board of Directors in writing, and at the same time, complete the necessary filings or announcements in accordance with the securities regulatory rules and the requirements of the stock exchange of the place where the Company’s shares are [REDACTED].

Before the announcement of the resolution of the Shareholders’ meeting, the proportion of shares (excluding treasury shares) held by the convening shareholders shall not be less than 10%.

The Audit Committee or the convening shareholders shall submit relevant supporting documents in accordance with the securities regulatory rules and the requirements of the stock exchange of the place where the Company’s shares are [REDACTED] when issuing the notice of the Shareholders’ meeting and the announcement of the resolution of the Shareholders’ meeting.

In respect to shareholders’ meetings convened by the audit committee or by the shareholders, the Board of Directors and its secretary shall assist. The Board of Directors shall provide the register of shareholders as of the date of record.

All costs and expenses necessary for shareholders’ meetings convened by the audit committee or by the shareholders shall be borne by the company.

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Proposals and Notices of Shareholders’ Meetings

The contents of proposals shall fall within the scope of duties and powers of the Shareholders’ meeting, contain clear topics and detailed resolutions and comply with the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Articles of Association.

The convener will notify all shareholders by means of announcement 21 days prior to the annual shareholders’ meeting. An extraordinary shareholders’ meeting will be notified to all shareholders by means of announcement 15 days prior to the meeting.

For the purpose of calculating the aforementioned “21 days” and “15 days”, the date on which the meeting is held shall be excluded, but the date on which the notice is published shall be included.

A notice of the Shareholders’ meeting includes the following contents:

- (I) the time, venue, and duration of the meeting;
- (II) the matters and proposals to be submitted to the meeting for deliberation;
- (III) a conspicuous written statement as follows: all shareholders have the right to attend the Shareholders’ meeting and may authorize in writing a proxy, who needs not necessarily be a shareholder, to attend and vote at the meeting;
- (IV) the date of record of shareholders entitled to attend the Shareholders’ meeting;
- (V) the name and telephone number of the permanent contact person of meeting;
- (VI) the voting time and procedures online or by any other method; and
- (VII) other matters stipulated by laws, regulations departmental rules, and securities regulatory rules where our Company’s shares are [REDACTED].

Voting and Resolution at Shareholders’ Meetings

Resolutions at shareholders’ meetings consist of ordinary resolutions and special resolutions.

If the Shareholders’ meeting makes an ordinary resolution, it shall be passed by more than half of the voting rights held by shareholders (including proxies) attending the meeting.

If the Shareholders’ meeting makes a special resolution, it shall be passed by two-thirds or more of the voting rights held by shareholders (including proxies) attending the meeting.

The following matters are adopted by ordinary resolutions at the Shareholders’ meeting:

- (I) work report of the Board of Directors;

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- (II) profit distribution plans and loss compensation plans proposed by the Board of Directors;
- (III) appointment, removal, remunerations and method of payment of members of the Board of Directors;
- (IV) resolution on appointment and dismissal of an accounting firm by the Company for auditing;
- (V) matters other than those which shall be adopted by special resolutions as specified by the laws, administrative regulations the securities regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association.

The following matters are adopted by special resolutions at the Shareholders’ meeting:

- (I) the increase or decrease of registered capital of the company;
- (II) division, split, merger, dissolution or liquidation of the company (including voluntary winding-up);
- (III) amendment of the Articles of Association;
- (IV) the purchase or sales of material assets within one year or provision of guarantees to others by the company whose amount exceeds 30% of the most recently audited total assets;
- (V) share incentive plans and Employee Stock Ownership Plan; and
- (VI) matters specified by the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association, and other matters which are confirmed through ordinary resolutions at shareholders’ meetings as having a significant influence on the company and requiring special resolutions to approve.

Shareholders shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote.

The shares in 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 present at the Shareholders’ meeting.

When the Shareholders’ meeting deliberates on related-party transactions, the related shareholders may make appropriate representations on the related-party transaction matters, but shall not participate in the voting, and the number of shares held with voting rights shall not be included into the total number of valid votes. Such related-party transaction matters shall be voted on by the non-related shareholders present at the meeting, and shall be approved if more than half of the valid voting rights are in favor thereof; if such transaction matters fall within the scope of special resolutions, they shall be approved by more than two-thirds of the valid voting rights. The announcement of shareholders’ resolution shall fully disclose the voting of the non-related shareholders.

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Directors and Board of Directors

Directors are elected or replaced by the Shareholders’ meeting and may be removed from office by the Shareholders’ meeting before the expiry of term of office. The term of office for directors shall be three years. A director may be re-elected for consecutive terms upon expiry of his/her term of office.

Senior executives may serve as directors concurrently, provided that the aggregate number of directors concurrently serving as senior executives, together with directors who are employee representatives may not exceed 50% of the total number of directors of the company.

The Board of Directors shall consist of 7 directors, including three independent non-executives, of whom at least one independent non-executive shall be an accounting professional and possess appropriate professional qualifications or expertise in accounting or related financial management.

The Board of Directors exercises the following functions and powers:

- (I) convening the Shareholders’ meeting and reporting its work to the Shareholders’ meeting;
- (II) executing resolutions of the Shareholders’ meeting;
- (III) deciding the operational plans and investment plans of the company;
- (IV) preparing the profit distribution plans and loss compensation plans of the company;
- (V) preparing plans for the company to increase or decrease its registered capital, issue bonds or other securities as well as the [REDACTED] of the company;
- (VI) drafting plans for the company with respect to significant acquisitions, purchase of shares, mergers, divisions, dissolution or change of the form of the company;
- (VII) deciding the company’s outbound investments, purchase and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related-party transactions, external donations and other matters within the scope authorized by the Shareholders’ meeting;
- (VIII) deciding to establish the internal management organizations of the company;
- (IX) deciding on the appointment or dismissal of company manager, secretaries to the Board of Directors, and other senior executives, as well as deciding on their remuneration, reward and disciplinary matters; deciding on the appointment or dismissal of senior executives such as deputy managers, chief financial officer, and deciding on their remuneration, reward and disciplinary matters based on the managers’ nominations;
- (X) preparing the basic management system of the company;

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- (XI) preparing plans to amend the Articles of Association;
- (XII) managing the disclosure of information by the company;
- (XIII) requesting the Shareholders' meeting to engage or replace the accounting firm that provides audit services to the company;
- (XIV) listening to the manager's work report and checking the manager's work;
- (XV) deliberating and approving transactions that are required to be considered and approved by the Board of Directors pursuant to the securities regulatory rules of the place where the Company's shares are [REDACTED]; and
- (XVI) other powers authorized by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [REDACTED], the Articles of Association or the Shareholders' meeting.

The Board of Directors shall have one Chairman. The Chairman shall be elected by more than half of all the directors on the Board of Directors.

The Chairman shall exercise the following official powers:

- (I) presiding over the Shareholders' meetings, and convening and chairing board meetings;
- (II) supervising and inspecting implementation of board resolutions;
- (III) representing the Company in signing relevant documents, including but not limited to signing shares certificates, corporate bonds and other marketable securities issued by the Company, and signing important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company;
- (IV) exercising the powers of the legal representative of the Company;
- (V) in the event of major natural disasters and other emergency situations beyond control, to exercise special disposal rights in compliance with legal provisions and in the interests of the Company over the Company's affairs, and to report the same to the Company's Board of Directors and Shareholders meeting afterwards; and
- (VI) other powers and duties authorized by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED] and the Board of Directors.

The Board of Directors shall hold at least two meetings every year; the Chairman shall convene the board meetings and issue a written notice to all the directors 10 days before the meeting is held.

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Shareholders holding one-tenth or more of the voting rights, one-third or more of the directors or the audit committee may propose an extraordinary board meeting. The Chairman shall convene and chair a board meeting within 10 days from receipt of the proposal.

A board meeting shall be held only after more than half of the directors are present at the meeting. Unless otherwise provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the company’s shares are [REDACTED] and the Articles of Association, Board resolutions shall be passed by more than half of all the directors.

When voting for board resolutions, a director shall have one vote.

Specialized Committees under Board of Directors

Audit committee

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

The members of the audit committee shall comprise 3 directors who are not senior executives of the company, among them there are 3 independent non-executive Directors, and an accounting professional among the independent non-executive Directors shall act as the convener.

The audit committee shall be responsible for review of the company’s financial information and disclosure thereof, supervision and evaluation of internal and external audit and internal control. The following matters shall, upon consent by more than half of all the members of the audit committee, be tabled at a board meeting for deliberation:

- (I) disclosure of financial information in financial accounting reports and periodic reports, internal control evaluation report;
- (II) appointment or dismissal of accounting firm which undertakes audit engagement of a listed company;
- (III) appointment or dismissal of chief financial officer of the Company;
- (IV) change in accounting policies or accounting estimates or correction of material accounting error for a reason other than change in accounting standards; and
- (V) any other matters stipulated by laws, administrative regulations, the rules of CSRC, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Articles of Association.

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Senior Executives

The Company shall have one General Manager who shall be appointed or dismissed by the Board of Directors.

The Company shall have several Deputy General Managers, one Secretary to the Board of Directors and one chief financial officer who shall be appointed or dismissed by the Board of Directors.

The General Manager is responsible to the Board of Directors and exercises the following powers:

- (I) presiding over the production and operation of the company, implementing resolutions of the Board of Directors and reporting his/her work to the Board of Directors;
- (II) implementing the annual operation plan and investment plan of the company;
- (III) drafting plans for establishment of the internal management organization of the company;
- (IV) drafting the basic management system of the company;
- (V) laying down the specific rules and regulations of the company;
- (VI) requesting the Board of Directors to appoint or dismiss deputy managers and chief financial officer;
- (VII) deciding to appoint or dismiss management personnel other than those who shall be appointed or dismissed by the Board of Directors; and
- (VIII) other powers authorized by the securities regulatory rules of the place where the Company's shares are [REDACTED], the Articles of Association or the Board of Directors.

The Company shall have a secretary to the Board of Directors, responsible for the preparation of shareholders' meetings and meetings of Board of Directors, keeping of documents, management of shareholders' information, and disclosure of information.

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions of the relevant state authorities. The Company's financial year shall follow the Gregorian calendar year system, i.e., each financial year shall commence on 1 January and end on 31 December of the Gregorian calendar.

The Company shall, within four (4) months after the end of each financial year, submit and disclose its annual report in accordance with the relevant regulatory requirements. It shall also submit and disclose its interim report in accordance with the relevant regulatory requirements within two (2) months after the end of the first half of each financial year.

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The above annual and interim reports are prepared according to the relevant laws, administrative regulations, departmental rules, and the requirements of the stock exchange of the place where the Company’s shares are [REDACTED].

PROFIT DISTRIBUTION

When a company distributes its after-tax profits of the current year, it shall allocate 10% of the profits into the legal reserve fund. If the company’s legal reserve fund exceeds 50% of the registered capital, no further allocation is required.

If the legal reserve fund of the company is insufficient to compensate for the losses suffered in the previous year, then before making the allocation mentioned in the last paragraph, profits of the current year shall first be used to cover up the losses.

After the company withdraws the legal reserve fund from the after-tax profits, if resolved by the Shareholders’ meeting, it may also withdraw an optional reserve fund from the after-tax profits.

After the company makes up losses and withdraws reserve funds, the balance of after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless the Articles of Association provide that the distribution is not made as per the proportion of shareholding.

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

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

The Company shall appoint one or more receiving agents in Hong Kong for the H Shareholders. The receiving agents shall collect and hold on behalf of the relevant H Shareholders the dividends and other sums payable by the Company in respect of the [REDACTED], pending payment to such H Shareholders. The receiving agents 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 [REDACTED].

Dissolution and Liquidation

The Company may be dissolved due to the following reasons:

- (I) expiry of the business term as specified by the Articles of Association or the occurrence of other matters for dissolution as specified by the Articles of Association;
- (II) dissolution by a resolution of the Shareholders’ meeting;
- (III) dissolution due to merger or division;

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- (IV) revocation of the business license, or being ordered to be closed down or revoked according to the law; or
- (V) where the company has serious difficulties in its business management and its subsistence will cause serious damage to the interests of its shareholders, which is unable to be resolved through any other means, a shareholder who holds 10% or more of the voting rights of the company may apply to a people’s court for dissolution of the company.

Upon occurrence of an event which triggers dissolution as stipulated in the preceding paragraph, an announcement shall be made through the National Enterprise Credit Information Publicity System within 10 days.

The Company dissolved pursuant to the provisions of item (I), item (II), item (IV) and item (V) above shall undergo liquidation. As the liquidation obligors of the company, directors shall form a liquidation team to carry out liquidation within 15 days from occurrence of the event which triggers dissolution. The liquidation team shall comprise directors, unless otherwise provided in the Articles of Association or as resolved by the Shareholders’ meeting to elect others.

The liquidation team shall notify the creditors within 10 days from establishment and make an announcement on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their creditor’s rights to the liquidation team within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

Upon sorting out of the company’s assets and formulation of balance sheet and list of assets, the liquidation team shall formulate a liquidation plan and submit it to the Shareholders’ meeting or a people’s court for confirmation.

Upon sorting of the company’s assets and formulation of balance sheet and list of assets, where the liquidation team discovers that the company’s assets are inadequate for repayment of debts, it shall apply to a people’s court for bankruptcy liquidation.

Upon acceptance of a bankruptcy application by a people’s court, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of liquidation, the liquidation team shall prepare a liquidation report and submit it to the Shareholders’ meeting or a people’s court for confirmation and submit it to the company registration authority to apply for deregistration.

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AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, a company shall amend its Articles of Association:

- (I) after amendments are made to the Company Law or other relevant laws, administrative regulations or regulatory rules at the place where the shares of the Company are [REDACTED], the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations or regulatory rules at the place where the shares of the Company are [REDACTED];
- (II) there is a change to the company’s details which result in inconsistency with the matters set out in the Articles of Association; or
- (III) the Shareholders’ meeting has decided on amendment to the Articles of Association.