
APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

This appendix contains a summary of the principal provisions of the Articles of Association of the Company which will be effective from the date of [REDACTED] of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide [REDACTED] with an overview of the Company’s Articles of Association and therefore may not contain all the information that is material to [REDACTED].

SHARES

1. Share Issue

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

The overseas-listed shares issued by the Company may be in the form of overseas share deposit receipts or in other derivations, in accordance with the laws of the place where the shares of the Company are listed and the practices of the securities registry and depository. If the share capital of the Company includes non-voting shares, the words “non-voting” shall be added to the name of such shares. Where the equity capital includes shares with different voting rights, the words “restricted voting” or “limited voting” shall appear in the designation of each class of shares, other than those with most favorable voting rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Subscribers shall pay the same price for each Share subscribed.

The shares issued by the Company shall have nominal values denominated in RMB, with a par value of RMB1.00 each.

The shares of the Company listed on the Hong Kong Stock Exchange are briefly referred to as H Shares, which shall be the shares listed on Hong Kong Stock Exchange upon approval, denominated in RMB, and subscribed for and traded in RMB or HK dollars. The H-shares issued by the Company are mainly deposited in the trusted companies subordinate to Hong Kong Securities Clearing Company Ltd (the “HKSCC”).

Shares issued by the Company but not listed or traded on overseas trading venues are “domestic unlisted shares” (including unlisted shares held by shareholders of the Company prior to the overseas listing, and additional unlisted shares issued in the PRC after the overseas listing). Domestic unlisted shares issued by the Company are centrally deposited with China Securities Depository and Clearing Corporation Limited (the “CSDCC”).

With the consent of the Hong Kong Stock Exchange and the filing with the China Securities Regulatory Commission, shareholders of the Company’s domestic unlisted shares may apply for the conversion of their domestic unlisted shares into H shares and their listing and circulation on the Hong Kong Stock Exchange.

2. Increase/Decrease and Repurchase of Shares

Based on the needs of operation and development, the Company may increase capital by the following means in accordance with the provisions of laws and regulations upon resolution of the general meeting:

- (I) Offering of shares to unspecified persons;
- (II) Offering of shares to specific recipients;
- (III) Distributing bonus shares to existing shareholders;
- (IV) Conversion of provident fund into share capital;
- (V) Other methods permitted by laws, administrative regulations and normative documents, and the securities regulatory and management authorities of the place where the shares of the Company are listed and the Hong Kong Stock Exchange.

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The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the provisions of the Company Law, the securities regulatory rules of the place where the Shares of the Company are listed and other relevant regulations and the procedures stipulated in the Articles of Association.

The Company shall not repurchase its own shares. However, subject to the laws and regulations, the provisions of the securities regulatory and administrative authorities of the place where the shares of the Company are listed and the provisions of the Hong Kong Listing Rules and the Articles of Association, except in the following circumstances:

- (I) To reduce the registered capital of the Company;
- (II) To merge with another company that holds the shares of the Company;
- (III) To use the shares for Employee Stock Ownership Plan (the “ESOP”) or as equity incentive;
- (IV) Shareholders who object to a merger or separation resolution made at the general meeting requesting the Company to buy back their shares;
- (V) To utilize shares to satisfy the conversion of corporate bonds that are convertible into shares issued by the Company;
- (VI) When it is necessary for the Company to protect the company value and the shareholders’ equity;
- (VII) Other circumstances permitted by laws, administrative regulations, departmental rules, normative documents, provisions of the securities regulatory and management bodies of the places where the shares of the Company are listed and relevant provisions of the Hong Kong Listing Rules.

If laws, administrative regulations, departmental rules, normative documents, relevant provisions of the securities regulatory and administrative authorities of the place where the shares of the Company are listed and the Hong Kong Listing Rules provide other provisions in respect of the relevant matters involved in the aforesaid share repurchases, such provisions shall apply.

3. Transfer of Shares

The shares of the Company shall be transferred in accordance with the law. All transfers of H Shares shall be effected by an instrument of transfer in writing in an usual or common form or in any other form acceptable to the Board (including the standard transfer form or ownership transfer form prescribed by the Hong Kong Stock Exchange from time to time). The instrument of transfer shall be executed under the hand of the transferor and transferee. In case that the transferor or transferee is a company, its common seal may also be affixed. If the transferor or transferee is a recognized clearing house as defined by the laws of Hong Kong or its nominee, the instrument of transfer may be executed by hand or by machine-imprinted signature. All instruments of transfer shall be kept at the legal address of the Company or other addresses designated by the Board from time to time.

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

Shares issued by the Company prior to its public offering shall not be transferable within one year from the date on which the shares of the Company are listed and traded in a stock exchange. Where laws, administrative regulations, the Hong Kong Listing Rules or the CSRC provide otherwise in respect of the transfer of the shares of the Company held by shareholders or actual controllers of listed companies, such provisions shall apply.

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The Directors and senior management members of the Company shall declare to the Company the shares held by them in the Company and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the same class of the Company held by them. The shares of the Company held by them shall not be transferable within one year from the date of listing and trading of the Shares of the Company. The shares of the Company held by them shall not be transferable within six months after their resignation.

Where any shareholder holding 5% or more of the shares of the Company (excluding recognized clearing houses as defined by the laws of Hong Kong or nominees thereof), Director or senior management member, sells the shares of the Company or other securities with equity nature held by him/her within six months after purchase, or repurchases such shares or securities within six months after sale, the gains derived therefrom shall belong to the Company, and the Board shall recover such gains; except that a securities company holds 5% or more of the shares of the Company as a result of purchasing the remaining shares after underwriting, and other circumstances prescribed by relevant regulatory authorities including the CSRC, the securities regulatory authority or the stock exchange of the place where the shares of the Company are listed. The relevant shares or securities held by Directors, senior management members and natural person shareholders include those held by their spouses, parents and children, as well as those held through other people's accounts. If the Board fails to recover the gains in accordance with the above provisions, shareholders shall have the right to request the Board to effect such recovery within 30 days; if the Board fails to effect such recovery within such period, shareholders shall have the right to directly initiate legal proceedings in a people's court in their own name for the benefit of the Company, and the responsible Directors shall bear joint and several liabilities in accordance with the law.

SHAREHOLDERS AND GENERAL MEETINGS

4. Shareholder

The Company shall maintain a register of shareholders based on the vouchers provided by securities registration and clearing authority. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

The register of shareholders holding domestic shares is based on the data recorded in the securities book-entry system of CSDCC. The register of shareholders holding H shares is based on the data provided by the trustee-custodian under the custody of HKSCC.

The shareholders of the Company shall have the following rights:

- (I) To receive dividends and other forms of distribution of interests in proportion to their respective shareholdings;
- (II) To request to call, convene, preside over, attend or appoint a proxy to attend the general meeting and exercise the corresponding voting rights in accordance with the law;
- (III) To supervise, and make recommendations or inquiries on the operation of the Company;
- (IV) To transfer, bestow or pledge the shares they hold in accordance with the laws, administrative regulations, the relevant provisions of the securities regulatory and administrative authorities of the place where the shares of the Company are listed and the provisions of the Articles of Association;
- (V) To inspect and copy the Articles of Association, register of shareholders (including the register of H-shareholders), minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and shareholders in compliance with the regulations may inspect the Company's accounting books and accounting vouchers;

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- (VI) To participate in the distribution of the Company’s remaining assets in proportion to their shareholdings upon the termination or liquidation of the Company;
- (VII) To require the Company to acquire its shares by the shareholders who object to a resolution of a general meeting on the merger or division of the Company;
- (VIII) Other rights as stipulated in laws, administrative regulations and normative documents, the securities regulatory and administrative authorities of the place where the shares of the Company are listed, the Hong Kong Listing Rules and the Articles of Association.

Shareholders individually or collectively holding 3% or more of the shares of the Company for 180 consecutive days or more shall have the right to submit a written request stating the purpose to the Company, requesting to inspect the accounting books and accounting vouchers of the Company. Where the Company has reasonable grounds to believe that such inspection has an improper purpose and may harm the legitimate interests of the Company, the Company may refuse to make available such inspection, but shall reply to such shareholders in writing stating the reasons within 15 days from the date of receipt of the written request. Shareholders may initiate legal proceedings in a people’s court regarding the refusal of the Company to make available such inspection.

Shareholders may appoint intermediary agencies such as accounting firms and law firms to inspect the above materials. When shareholders and their appointed intermediary agencies inspect or copy relevant materials, they shall comply with laws and administrative regulations concerning the protection of state secrets, trade secrets, personal privacy and personal information. The aforementioned right to inspect and copy shall also apply to the relevant materials of wholly-owned subsidiaries of the Company. Shareholders who make relevant requests shall provide written documents to the Company proving the class and number of shares held by them.

Shareholders of the Company shall assume the following obligations:

- (I) Complying with laws, administrative regulations and the Articles of Association;
- (II) Paying subscription moneys for the shares subscribed in accordance with the agreed manner of payment;
- (III) No withdrawal of share capital is allowed after being approved and registered with the Company except for the circumstances set out in the relevant laws and regulations;
- (IV) No abuse of shareholder’s rights to damage the interests of the Company or other shareholders; no abuse of the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (V) Other obligations that should be assumed under laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

If any shareholder of the Company abuses the shareholder’s rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation in accordance with the laws. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts of the Company. Where a shareholder engages in such acts as prescribed in the preceding paragraph through two or more companies under his/her/its control, each of such companies shall bear joint and several liabilities for the debts of any one of such companies.

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5. General Provisions of General meetings

The general meeting of the Company consists of all shareholders. The general meeting is the source of authority of the Company and shall exercise the following functions and powers according to the laws:

- (I) To elect and replace Directors, and to decide on matters relating to their remunerations;
- (II) To consider and approve the reports of the Board;
- (III) To consider and approve the profit distribution plan and loss recovery plan of the Company;
- (IV) To resolve on the increase or reduction of the Company’s registered capital;
- (V) To resolve on the issuance of corporate bonds;
- (VI) To resolve on matters such as the merger, division, dissolution, liquidation, or change of company form of the Company;
- (VII) To amend the Articles of Association;
- (VIII) To resolve on the appointment or dismissal of the accounting firm by the Company that undertakes the Company’s auditing business;
- (IX) To consider and approve the guarantee matters set out in Article 47 of the Articles of Association;
- (X) To consider the purchase or disposal of material assets by the Company within one year exceeding 30% of the Company’s latest audited total assets;
- (XI) To consider and approve the change of use of proceeds;
- (XII) To consider equity incentive plans and ESOP;
- (XIII) To consider matters relating to the acquisition of the Shares of the Company that should be resolved on by the general meeting as stipulated by laws and regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (XIV) To consider matters relating to the connected transactions that should be resolved on by the general meeting as stipulated by laws and regulations, the regulatory rules of the place where the shares of the Company are listed, and the Articles of Association;
- (XV) To consider other matters that should be resolved on by the general meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association.

Unless otherwise stipulated by laws, administrative regulations, the CSRC or the rules of the stock exchange of the place where the shares of the Company are listed, the aforementioned functions and powers of the general meeting shall not be exercised by the Board or other organizations and individuals on its behalf by means of authorization.

The following external guarantees of the Company shall be subject to consideration and approval by the general meeting:

- (I) any guarantee to be provided after the total amount of external guarantees of the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;

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- (II) any guarantee to be provided after the total amount of external guarantees of the Company reaches or exceeds 30% of the latest audited total assets;
- (III) any guarantee where the amount of guarantees provided by the Company to others within one year reaches or exceeds 30% of the latest audited total assets of the Company;
- (IV) any guarantee to be provided for a guaranteed party with an asset-liability ratio exceeding 70%;
- (V) any single guarantee with an amount exceeding 10% of the latest audited net assets;
- (VI) any guarantee to be provided for shareholders, actual controllers and related (connected) parties thereof;
- (VII) other guarantees stipulated by laws, regulations, normative documents, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The general meeting may authorize the Board to adopt resolutions on the issuance of corporate bonds.

General meetings shall be classified into annual general meetings and special general meetings.

The annual general meeting shall be convened once a year, and shall be held within six months after the prior accounting year ends.

The Company shall convene special general meetings within two months from the date of occurrence of any of the following circumstances:

- (I) When the number of Directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;
- (II) The uncovered loss of the Company reaches one-third of the total paid-in share capital;
- (III) Upon written request(s) by shareholders individually or collectively holding more than 10% of the Shares of the Company;
- (IV) When the Board considers it necessary;
- (V) When the Audit Committee proposes to convene;
- (VI) Other circumstances as stipulated by laws, administrative regulations, departmental rules, regulatory bodies of the place where the shares of the Company are listed, the Hong Kong Listing Rules or the Articles of Association.

The general meeting shall be convened at the domicile of the Company or the venue specified in the notice of the general meeting. The general meeting shall have a meeting venue and be convened in the form of a physical meeting. The Company may also provide online, video, or telephone voting, or other means permitted by the securities regulatory rules of the place where the shares of the Company are listed, to facilitate shareholders' participation in the meeting. Shareholders may attend the general meeting virtually by means of technology and vote electronically; those who participate in the general meeting through the aforementioned means shall be deemed present at the meeting, and their votes shall be deemed as valid.

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Shareholders who participate in the general meeting remotely through online, video, telephone or other means shall complete registration and identity verification in advance in accordance with the requirements of the notice of the general meeting, and use the network link and password provided by the Company to attend such meeting. Without affecting the normal holding of the general meeting, the Board and the chairman of the meeting shall arrange for shareholders participating remotely to speak and raise questions during the meeting. Subject to applicable laws, administrative regulations, departmental rules, normative documents and the Hong Kong Listing Rules, the Company may also provide online voting.

After the notice of the general meeting is given, the venue for the physical general meeting shall not be changed without reasonable grounds.

6. Convening of General meetings

The Board shall convene a general meeting on time within the prescribed period. Independent non-executive Directors shall have the right to propose the holding of a special general meeting to the Board with the consent of a majority of all independent non-executive Directors. For such a proposal, the Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of special general meeting within ten days upon receipt of the proposal. If the Board agrees to convene a special general meeting, it shall issue a notice calling for the meeting within five days after the Board resolution is made; Otherwise, the reasons shall be stated and announced.

The audit committee shall have the right to propose to the Board to convene a special general meeting and shall make such proposal in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of the meeting within ten days upon receipt of the proposal.

The shareholders individually or collectively holding more than 10% of the Shares of the Company shall have the right to request the Board to convene a special general meeting, which shall be submitted in writing to the Board. The Board shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of the meeting within ten days upon receipt of the request.

If the Board agrees to convene the special general meeting, it shall issue a notice calling for the meeting within five days after the Board resolution is made; changes to the original proposal in the notice shall be subject to the approval of relevant shareholders.

If the Board disagrees to convene the special general meeting or fails to provide feedback within ten days after receiving the proposal, shareholders who individually or collectively hold more than 10% of the Shares of the Company shall have the right to propose to the audit committee to convene a special general meeting and shall submit their request in writing.

If the audit committee agrees to convene the special general meeting, it shall issue a notice calling for the meeting within five days upon receipt of the request; changes to the original proposal in the notice shall be subject to the approval of relevant shareholders.

If the audit committee fails to issue a notice of the meeting within the specified time limit, it shall be deemed that the audit committee does not convene or preside over the general meeting, in which case, the shareholders who individually or collectively hold more than 10% of the Shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

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7. Proposals and Notices of General meetings

Proposals submitted to the general meeting shall fall within the scope of powers of the general meeting, have clear topics and specific resolution matters, and comply with relevant provisions of laws, administrative regulations, the stock exchange or the securities regulatory authorities of the place where the shares of the Company are listed, and the Articles of Association.

The Board, the Audit Committee, and shareholders individually or collectively holding 1% or more of the shares of the Company shall have the right to submit proposals. The aforementioned shareholders may submit extraordinary proposals in writing to the convener 12 days prior to the convening of the general meeting; the convener shall, within 2 days after receipt of the proposals, issue a supplementary notice and submit the proposals to the general meeting for consideration, except for those that violate laws and regulations, do not comply with the Articles of Association, or do not fall within the scope of powers of the general meeting. Except for circumstances permitted by the Articles of Association or the Hong Kong Listing Rules, proposals listed in the notice of the general meeting shall not be modified or added after the notice is given, and proposals not listed in the notice shall not be submitted for voting.

Notice of the annual general meeting and special general meeting shall be given to shareholders by way of announcement at least 21 days and 15 days prior to the meeting, respectively. The relevant period shall exclude the date of the meeting. The notice shall be published on the website of the Hong Kong Stock Exchange and the website of the Company, and shall be deemed to have been served on all shareholders.

The notice of the general meeting shall set forth necessary information including the time, venue, matters to be considered, the record date, the means of participation and voting of the meeting, and shall state that shareholders have the right to appoint a proxy who need not be a shareholder of the Company to attend and vote at the meeting. The notice and supplementary notice shall fully disclose the contents of the proposals and information required under the Hong Kong Listing Rules. Where independent non-executive Directors are required to express opinions, their opinions and reasons shall be disclosed simultaneously. In case that important information needs to be supplemented, the Company shall provide it at least 10 business days in advance, and postpone the meeting if necessary.

Where the general meeting intends to elect Directors, the notice shall disclose the biographies of the candidates, their relationship with the Company and its controlling shareholders or actual controllers, their shareholding, any penalties or disciplinary actions received, qualifications and other information required by the regulatory rules of the place where the shares of the Company are listed. Except where the cumulative voting system is adopted, each candidate for Director shall be proposed as a separate proposal.

After the notice of the general meeting is given, the meeting shall not be postponed or canceled, nor shall proposals listed in the notice be canceled without reasonable grounds. In case of postponement or cancellation, the Company or the convener shall make an announcement and state the reasons therein in accordance with the law.

8. Convening of General meetings

All shareholders recorded in the register as at the record date or their proxies shall have the right to attend the general meeting and exercise the voting right in accordance with the relevant laws and regulations, regulatory bodies of the place where the shares of the Company are listed, the Hong Kong Listing Rules and the Articles of Association (including abstaining from voting on specific matters in accordance with relevant regulations).

Shareholders may attend the general meeting in person, or may appoint a proxy to attend, speak and vote on their behalf.

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An individual Shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity; if a proxy is appointed to attend the meeting, such proxy shall produce his/her own valid proof of identity and the proxy form.

A corporate Shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card, valid certificates evidencing his/her capacity as the legal representative. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative of the corporate Shareholder. If such corporate Shareholder has appointed a representative to attend any meeting, it shall be deemed to have attended in person.

The managing partner (including the representative of the managing partner) or proxies appointed thereby shall attend the meeting on behalf of the partnership shareholders. The managing partner (including the representative of the managing partner) attending the meeting shall present his/her identity card and valid certificate evidencing his/her capacity as a managing partner (including the representative of the managing partner); if a proxy is appointed to attend the meeting, such proxy shall present his/her identity card and a written power of attorney duly issued by the managing partner of the partnership shareholders.

Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his/her proxy to attend and vote on his/her behalf. The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall contain the following information:

- (I) The name or names of the principals and the class and number of shares of the Company held by them;
- (II) The name or names of the proxy(ies);
- (III) Specific instructions from shareholders, including instructions on whether to cast affirmative, negative or abstention votes on each review issue listed on the agenda of the general meeting (the proxy form shall state whether the proxy may vote at his/her own discretion if no specific instructions are given by the shareholder. If no such statement is made, the proxy shall be deemed to have the right to vote at his/her own discretion);
- (IV) The date of issuance and effective period of the power of attorney;
- (V) Signature (or seal) of the principal. If the principal is a shareholder of a legal entity, the seal of the legal entity shall be affixed. If the principal is a shareholder of a partnership, the seal of the partnership shall be affixed; if an overseas corporate shareholder does not have a common seal, it may be signed by a legally authorized person.

The proxy form shall state whether the proxy may vote at his/her own discretion if no specific instructions are given by the shareholder.

The general meeting shall be convened by the Board in accordance with the law and presided over by the chairman of the Board; if the chairman of the Board is unable or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall preside over the meeting.

A general meeting convened by the Audit Committee on its own initiative, the convenor of the Audit Committee shall preside over the meeting. If the convenor of the Audit Committee is unable or fails to perform his or her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by the convenor or his/her elected representative.

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During the course of a general meeting, if the chairman of the meeting violates the procedural rules so that the meeting cannot be continued, the general meeting may elect one person to act as the chairman of the meeting to continue the meeting so long as the proposed chairman of the meeting has the consent of more than half of the shareholders with voting rights who are present at the meeting.

9. Voting and Resolutions at General meetings

Resolutions of the general meetings shall be classified into ordinary and special resolutions.

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

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

The following matters shall be adopted by way of special resolutions of the general meeting, and any other matters shall be adopted by way of ordinary resolutions: resolutions on the increase or reduction of the Company’s registered capital; the merger, division, dissolution, liquidation or change of company form of the Company; amendments to the Articles of Association; the purchase or disposal of material assets by the Company within one year with an amount exceeding 30% of the latest total audited assets of the Company; deliberation on equity incentive plans and employee stock ownership plans; variation of rights attached to different classes of shares; and other matters approved by ordinary resolution of the general meeting pursuant to the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed which are determined to materially affect the Company and need to be approved by special resolution.

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. On a poll, shareholders (including proxies) entitled to two or more votes need not cast all their votes in favor of, against or abstain from voting.

When the general meeting considers material matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate count shall be disclosed and publicized in a timely manner in accordance with laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange where the shares of the Company are listed, or the Articles of Association.

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any particular matter or restricted to voting only for or against any particular matter, the said shareholder shall observe the aforesaid rules. Any votes cast by or on behalf of such shareholder or proxy in contravention of such requirement or restriction shall not be counted in the voting results.

The shares of the Company held by the Company shall carry no voting rights, which shall not be counted in the total number of voting shares present at the general meeting, and shall not be deposited into the CCASS.

Where a shareholder purchases voting shares of the Company in violation of the provisions of paragraph 1 and paragraph 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares present at the general meeting.

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The Board of the Company, independent non-executive Directors, shareholders holding 1% or more of voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC, may publicly solicit voting rights from shareholders. Information such as specific voting intentions shall be fully disclosed to the persons solicited. Soliciting voting rights from shareholders by means of compensation or disguised compensation is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding ratio restrictions on the solicitation of voting rights.

When the general meeting considers related party (connected) transactions, related (connected) shareholders (including those who have a material interest in the transaction) shall not participate in voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes; the resolution of the general meeting shall fully state the voting status of non-related-party (connected) shareholders, and other contents required by the securities regulatory rules of the place where the shares of the Company are listed.

Before the general meeting considers related-party (connected) transactions, the Company shall determine the scope of related-party (connected) shareholders in accordance with relevant laws, regulations and normative documents. Related-party (connected) persons or their authorized representatives may attend the general meeting, and may clarify their views to the attending shareholders in accordance with meeting procedures, but shall voluntarily abstain from voting. When a related-party (connected) person fails to voluntarily abstain from voting, other shareholders participating in the meeting shall have the right to request him/her to abstain. After the related-party (connected) person abstains, other shareholders shall vote according to the voting rights held by them, and pass corresponding resolutions in accordance with the provisions of the Articles of Association; the chairman of the meeting shall announce the number of shareholders and proxies present at the physical meeting other than related-party (connected) persons, and the total number of voting shares held by them.

To adopt an ordinary resolution on related-party (connected) transactions, it shall be passed by more than half of the voting rights held by non-related-party (connected) shareholders present at the general meeting; to adopt a special resolution, it shall be passed by more than two-thirds of the voting rights held by non-related-party (connected) shareholders present at the general meeting.

Where a related-party (connected) person participates in voting in violation of this Article, his/her votes cast on the relevant related-party (connected) transactions shall be invalid.

Except in special circumstances, such as when the Company is in crisis, the Company shall not enter into a contract with a person other than a Director, general manager and other senior management members that place the management of all or an important part of the Company's business in the person's charge without the approval of the general meeting by a special resolution.

Shareholders attending the general meeting shall express one of the following opinions on proposals submitted for voting: for, against or abstain, except where a securities registration and clearing institution, as the nominee holder of shares under the Mainland-Hong Kong Stock Connect mechanisms, or a recognized clearing house as defined under relevant ordinances in force in Hong Kong from time to time or its nominee as a nominee holder, makes declarations in accordance with the intentions of the actual beneficial owners.

Any voting ballots that are blank, completed incorrectly, illegible, or uncast shall be deemed as abstention from voting by the voter, and the voting result of the shares represented by such ballots shall be counted as “abstain.”

Where the securities regulatory rules of the place where the shares of the Company are listed require any shareholder to abstain from voting on any particular resolution or restrict any shareholder to voting only for (or against) any particular resolution, any votes cast by such shareholder or his/her representative in contravention of such requirement or restriction shall not be counted.

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BOARD

10. Director

Directors of the Company shall be natural persons. A director is not required to hold any shares of the Company. A person may not serve as a director of the Company in case of any of the following circumstances:

- (I) a person who has no capacity for civil conduct or has limited capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, or has been deprived of his/her political rights as a result of a criminal conviction, and less than five years have elapsed since the completion of the sentence, or has been given a probation, and two years have not yet elapsed from the date on which the probationary period has expired;
- (III) a person who has served as a director, factory chief, or general manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or which was ordered to close down due to any violation of law, and is held personally liable for the revocation or closure, and three years have not elapsed since the date when the revocation or closure occurs;
- (V) a person who is listed by a people’s court as a judgment defaulter because a relatively large amount of debt he/she bears is not paid off when it is due;
- (VI) a person who has been subject to measures of prohibited from entering the securities market by the CSRC, and the time limit has not expired;
- (VII) a person who has been publicly identified by a stock exchange as unsuitable to serve as a director or senior management member of a listed company, and the time limit has not expired;
- (VIII) other circumstances stipulated by laws, administrative regulations, departmental rules, normative documents, regulatory rules of the place where the shares of the Company are listed or the requirements of the relevant regulatory authorities that a person may not serve as a director of the Company.

Where any director is elected or appointed in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where any director falls under any of the aforesaid circumstances during his/her term of office, the Company shall remove him/her from office and terminate his/her performance of duties.

Employee representatives on the Board (if any) shall be democratically elected by the employees of the Company at an employee representative assembly, general employee meeting or otherwise. Directors who are not employee representatives shall be elected or replaced by the general meeting, and may be removed from office by the general meeting before the expiration of their terms. Directors shall have a term of three years and may stand for re-election upon the expiry of their terms. Any Director may be removed by the general meeting by an ordinary resolution before the expiration of his/her term of office, without prejudice to any claim for damages that such Director may have under any contract.

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The term of office of a director shall commence from the date of assuming office until the expiration 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 expiration of the term of office of a director, such director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association until the newly elected director assumes the office.

Directors may concurrently serve as senior management members, provided that the total number of Directors concurrently serving as senior management members and Directors who are employee representatives shall not exceed one-half of the total number of Directors of the Company.

Directors shall comply with the laws, administrative regulations, and the provisions of the Articles of Association, and assume the fiduciary duties to the Company, and shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not utilize their powers to gain undue benefits. The Directors owe the following fiduciary duties to the Company:

- (I) Shall not embezzle the property of the Company or misappropriate the funds of the Company;
- (II) Shall not deposit funds of the Company in an account opened in his/her personal name or in the name of another individual;
- (III) Shall not use his/her power to commit bribery or accept any other illegal income;
- (IV) Shall not conclude any contract or transaction directly or indirectly with the Company without reporting to the Board or the general meeting and being resolved by the Board or the general meeting in accordance with the Articles of Association;
- (V) Shall not take advantage of duty to seek business opportunities for himself/herself or others that would have been directed to the Company, except when such business opportunities are reported to the Board or the general meeting and approved by a resolution of the general meeting, or when the Company is unable to take advantage of such business opportunities in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association;
- (VI) Shall not engage in business similar to those of the Company for himself/herself or others, without reporting to the Board or the general meeting and being resolved by the general meeting in accordance with the Articles of Association;
- (VII) Shall not accept commission for transactions between the Company and others as personal gains;
- (VIII) Shall not disclose any confidential information involving the Company without authorization;
- (IX) Shall not impair the interests of the Company through related-party (connected) relationship;
- (X) Other fiduciary duties in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Any and all proceeds obtained by Directors in violation of the provisions of this Article shall belong to the Company; and in case of any loss caused to the Company thereby, such Directors shall be liable for compensation.

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Directors shall comply with the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association, and assume duties of diligence to the Company, and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the Company. The Directors owe the following duties of diligence to the Company:

- (I) Shall exercise the rights granted by the Company prudently, conscientiously and diligently so as to ensure that the Company’s business conduct complies with national laws, administrative regulations and the requirements of various national economic policies, and that the business activities are within the scope of business specified in the business license;
- (II) Shall treat all shareholders equally;
- (III) Shall stay informed about the business and operation of the Company in a timely manner;
- (IV) Shall sign a written confirmation on the Company’s regular reports to ensure that the information disclosed by the Company is true, accurate and complete, and that the Company will disclose such information in a timely and fair manner. Where a Director is unable to guarantee the truthfulness, accuracy and completeness of the contents of the securities offering documents and regular reports, or holds objections, he/she shall express opinions and state reasons in the written confirmation, and the Company shall disclose them. If the Company fails to disclose them, the Director may directly apply for disclosure;
- (V) Shall provide the Audit Committee with relevant information and materials in a truthful manner and shall not hinder the Audit Committee from performing its duty;
- (VI) Shall perform duties prudently in business activities in accordance with the principle of business judgment, and make every effort to safeguard the interests of the Company and all shareholders;
- (VII) Other duties of diligence in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the place where the shares of the Company are listed and the Articles of Association.

Where a Director causes damage to others in performing his/her duties for the Company, the Company shall bear liability for compensation. If the Director has intent or gross negligence, he/she shall also bear liability for compensation. Where a Director causes losses to the Company as a result of his/her violation of laws, administrative regulations, departmental rules, the provisions of the stock exchange or the securities regulatory authorities of the place where the shares of the Company are listed, or the Articles of Association in performing his/her duties for the Company, he/she shall bear liability for compensation.

11. Board

The Company shall have a board of directors (the “Board”). The Board shall consist of eight Directors, and have one chairman. The chairman shall be elected by the Board with more than half of all Directors. The Directors of the Company are divided into executive Directors, non-executive Directors and independent non-executive Directors, among which non-executive Directors refer to Directors who do not serve in operational or managerial positions in the Company. The independent non-executive Directors shall constitute at least one-third of the Board and shall be no less than three in number. At least one independent non-executive Director shall be a financial or accounting professional with appropriate professional qualifications or appropriate accounting or related financial management expertise as required under the Hong Kong Listing Rules, and at least one independent non-executive Director shall ordinarily reside in Hong Kong. All independent non-executive Directors must possess the independence required under the Hong Kong Listing

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Rules. Independent non-executive Directors shall perform their duties in accordance with relevant provisions of laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The Board of Directors exercises the following powers:

- (I) To convene the general meeting and report to the general meeting;
- (II) To implement the resolutions of the general meeting;
- (III) To determine business operation plans and investment plans of the Company;
- (IV) To formulate the profit distribution plans and loss recovery plans of the Company;
- (V) To formulate proposals for the increase or reduction of the registered capital, the issuance of bonds or other securities and the listing of the Company;
- (VI) To formulate plans for substantial acquisition, repurchase of shares, or merger, division, dissolution and change of company form of the Company;
- (VII) To determine the outbound investment, acquisition and sale of assets, asset mortgage, external guarantee, consigned financial management, connected transactions and external donations etc. of the Company within the authority granted by the general meeting;
- (VIII) To decide on the establishment of internal management structure of the Company;
- (IX) To appoint or remove the general manager, secretary of the Board and other officers of the Company, and decide on matters of remuneration, rewards, and punishments; to appoint or remove the deputy general managers, chief financial officer and other senior management members according to the nomination of the general manager, and decide on matters of remuneration, rewards, and punishments;
- (X) To draft the Company’s basic management system;
- (XI) To formulate the amendment plan of the Articles of Association;
- (XII) To manage the information disclosure of the Company;
- (XIII) To request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (XIV) To debrief the work report of the general manager of the Company and check the work of the general manager;
- (XV) To consider and approve external guarantees other than those subject to consideration by the general meeting;
- (XVI) Other duties and power granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

Matters exceeding the scope of authority granted by the general meeting shall be submitted to the general meeting for consideration.

The Board shall explain to the general meeting on the non-standard audit opinions issued by the certified public accountants on the financial reports of the Company.

The Board of the Company shall formulate the rules of procedure of the Board to ensure that the Board implements the resolutions of the general meeting, improves working efficiency, and guarantees scientific decision-making.

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The Board of the Company shall determine the authority for outbound investment, acquisition and sales of assets, asset mortgage, external guarantees, entrusted wealth management, major transactions and related-party (connected) transactions, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals, and be reported to the general meeting for approval. Transactions or matters incurred by the Company that are required to be submitted to the Board for consideration under laws, administrative regulations, departmental rules, or the listing rules of the stock exchange of the place where the shares of the Company are listed shall be executed in accordance with corresponding provisions.

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

- (I) To preside over general meetings and to convene and preside over meetings of the Board;
- (II) To supervise and inspect the execution of the resolutions of the Board;
- (III) Other functions and power granted by the Board.

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

The Board shall conduct its business by convening meetings of the Board. Meetings of the Board are divided into regular meetings and extraordinary meetings. Regular meetings of the Board shall be held at least four times a year, approximately on a quarterly basis, and shall be convened by the Chairman of the Board, who shall give written notice to all Directors 14 days prior to the meeting.

Shareholders representing more than 10% of the voting rights, more than one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary Board meeting. The Chairman of the Board shall convene and preside over the Board meeting within 10 days of receiving such proposal.

Where the Board convenes an extraordinary meeting, a written notice shall be given three days prior to the meeting. In case of emergency where an extraordinary Board meeting needs to be held as soon as possible, the notice of meeting may be given by telephone or other oral means, and the time limit for notice shall not be subject to the aforementioned restrictions, provided that the convener shall make explanations at the meeting.

The notice of the Board meeting shall include the following contents:

- (I) the date, venue and convening method of the meeting;
- (II) the duration of the meeting;
- (III) the reasons and topics of the meeting;
- (IV) the date on which the notice is given;
- (V) other contents stipulated by laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange of the place where the shares of the Company are listed, or the Articles of Association.

A Board meeting shall not be held unless more than half of the Directors are present. Unless otherwise provided in the Articles of Association, resolutions made by the Board must be passed by more than half of the Directors.

Each Director shall have one vote for the resolutions of the Board.

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Where a Director has a related-party (connected) relationship with the enterprise or individual involved in the matters to be resolved at the Board meeting, he/she shall not exercise voting rights on such resolution, nor shall he/she vote on behalf of other Directors. The Board meeting may be held if more than half of the non-related-party (connected) Directors are present, and the resolutions adopted at the Board meeting must be passed by more than half of the non-related-party (connected) Directors. If the number of non-related-party (connected) Directors attending the Board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

The voting method for resolutions of the Board shall be: voting by poll or voting by show of hands. On the premise of ensuring that Directors can fully express their opinions, extraordinary Board meetings may be held and resolutions may be adopted through means of communication such as telephone, fax, and email, which shall be signed by the attending Directors.

Directors shall sign the resolutions of the Board and bear liability for resolutions adopted by the Board. Where a resolution of the Board violates laws, regulations or the Articles of Association, resulting in losses to the Company, the Directors participating in the resolution shall be liable to the Company for compensation. However, a Director may be exempt from such liability with the proof that he/she has expressed a disagreement which has been recorded in the minutes of the meeting.

Directors shall attend Board meetings in person. If a Director is unable to attend for any reason, he/she may appoint another Director in writing to attend the meeting on his/her behalf, and the written power of attorney shall state the proxy’s name, proxy matters, scope of authorization and validity period, which shall be signed or sealed by the appointer. The Director attending the meeting on behalf of another Director shall exercise the rights of a Director within the scope of authorization. Directors shall not make or accept proxies without voting intention, discretionary proxies, or proxies with unclear scope of authorization. When considering related-party (connected) transactions, non-related-party (connected) Directors shall not appoint related-party (connected) Directors to attend the meeting on their behalf. Where a Director fails to attend the Board meeting and fails to appoint a representative to attend, he/she shall be deemed to have waived his/her voting rights at such meeting. No Director shall accept proxies to attend the meeting on behalf of more than two Directors at one Board meeting. Independent non-executive Directors can only appoint other independent non-executive Directors to attend the meeting on their behalf.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

12. General manager and other senior management members

The Company shall have one general manager (also referred to as “manager”), who shall be appointed or removed by the Board. The Company shall have one deputy general manager (also referred to as “deputy manager”), one chief financial officer, and one secretary to the Board, all of whom shall be appointed or removed by the Board. The general manager, deputy general manager, chief financial officer, and secretary to the Board of the Company are the senior management members of the Company.

The provisions of Article 95 of the Articles of Association concerning the circumstances under which a person shall not serve as a Director, Article 98 concerning the Director’s fiduciary duties, and Article 99 concerning duties of diligence shall also apply to senior management members.

A person who concurrently holds other administrative positions other than director or supervisor in the controlling shareholder of the Company shall not serve as senior management members of the Company.

Senior management members of the Company shall only receive remuneration from the Company, and their remuneration shall not be paid by the controlling shareholder on behalf of the Company.

The term of office of the general manager shall be three years, and the general manager may serve consecutive terms if re-appointed.

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The general manager shall be liable to the Board and exercise the following functions and power:

- (I) To preside over the production, operation and management of the Company, to organize the implementation of the resolutions of the Board, and to report on his or her work to the Board;
- (II) To organize the implementation of the annual business plan and investment scheme of the Company;
- (III) To prepare the proposal on the setup of the Company’s internal management structure;
- (IV) To draft the Company’s basic management system;
- (V) To develop the specific rules for the Company;
- (VI) To request the Board to engage or remove the deputy general managers, chief financial officer and other senior management members;
- (VII) To appoint or dismiss the officers other than those whose appointment or dismissal shall be decided by the Board;
- (VIII) Other functions and power granted by the Articles of Association or the Board.

The general manager shall be present as non-voting observer at meetings of the Board.

The general manager shall formulate the working rules of the general manager, which shall be implemented upon approval of the Board.

The working rules of the general manager shall include the following contents:

- (I) the conditions, procedures and participants for convening the general manager’s meetings;
- (II) the respective specific duties and division of labor of the general manager and other senior management members;
- (III) the authority for the utilization of the Company’s funds and assets, the execution of major contracts, and the system for reporting to the Board;
- (IV) other matters deemed necessary by the Board.

The general manager may resign before expiry of his/her tenure. The specific procedures and methods for resignation by the general manager shall be subject to the employment contract between the general manager and the Company.

The appointment and removal of deputy general managers shall be proposed by the general manager and determined by the Board, and deputy general managers shall assist the general manager in his/her work.

The Company shall have a secretary to the Board and/or a company secretary, who shall be responsible for preparing the general meetings and Board meetings of the Company, maintaining documents, managing shareholder information, and handling of information disclosure.

The secretary to the Board and/or the company secretary shall comply with relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

Where a senior management member causes losses to the Company as a result of his/her violation of laws, administrative regulations, the Hong Kong Listing Rules, other regulatory rules of the place where the shares of the Company are listed, or the Articles of Association in performing his/her duties for the Company, he/she shall bear liability for compensation.

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Where a senior management member causes damage to others in performing his/her duties for the Company, the Company shall bear liability for compensation; if the senior management member has intent or gross negligence, he/she shall also bear liability for compensation.

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where senior management members of the Company cause damage to the interests of the Company and shareholders due to failure to faithfully perform their duties or violation of fiduciary duties, they shall bear liability for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM, PROFITS DISTRIBUTION AND AUDITING

13. Financial Accounting System

The Company shall formulate the financial and accounting system in accordance with the laws, administrative regulations and the provisions of the relevant state departments. At the end of each accounting year, the Company shall prepare financial and accounting reports in accordance with relevant laws, administrative regulations, departmental rules, and the Hong Kong Listing Rules, which shall be audited by an accounting firm in accordance with the law.

The annual financial and accounting reports shall be made available at the Company for shareholders’ inspection 21 days before the convening of the annual general meeting (and in any case no later than four months after the end of the financial year).

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into its statutory reserve fund. The Company may not withdraw statutory reserve fund if the cumulative amount has exceeded 50% of the Company’s registered capital.

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

After the Company withdraws the statutory reserve fund from the after-tax profits, the discretionary reserve may be withdrawn from the after-tax profits with the approval of the general meeting.

The Company may distribute the profit after tax according to the proportion of shareholdings after making up for losses and withholding the statutory reserve fund.

Where the general meeting distributes the profits to the shareholders in violation of the provisions of the Company Law, the shareholders must return the profits distributed in violation of the provisions to the Company. If losses are incurred by the Company, the shareholders and the responsible Directors and senior management members shall be liable for compensation.

The shares of the Company held by the Company shall not participate in profit distribution.

After a resolution is passed at the general meeting on the profit distribution plan, or after the Board formulates a specific plan in accordance with the conditions and upper limit of interim dividends of the next year considered and approved at the annual general meeting, the distribution of dividends (or shares) must be completed within two months.

The Company’s reserve may be used to make up the Company’s losses, expand the company’s production and operations or be converted to increase the Company’s registered capital. When making up for the Company’s losses with reserves, the discretionary reserves and statutory reserves should be used first; if it is still unable to make up for it, the capital reserves can be used in accordance with relevant provisions.

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When the statutory reserve fund is converted to increase registered capital, the remaining reserve shall be not less than 25% of the registered capital of the Company before the conversion.

Profits of the Company may be distributed in cash or shares. On the premise that the profits and cash flow of the Company satisfy the normal operation and long-term development of the Company, the Company shall implement active cash dividend distribution methods, and attach importance to the investment return to shareholders.

14. Engagement of Accounting Firm

The Company shall employ an independent accounting firm that complies with relevant state regulations and the regulatory rules of the place where the shares of the Company are listed to engage in the audit procedures for accounting statement, net asset verification and other related consulting services. The engagement period is one year and can be renewed.

The engagement or dismissal by the Company of the accounting firm providing periodic auditing services to the Company, as well as the audit fees of such accounting firm or the method of determining its audit fees, shall be decided by the general meeting.

The appointment, removal, and remuneration of the accounting firm must be approved by an ordinary resolution of the general meeting. Notwithstanding any terms of the contract entered into between the accounting firm and the Company, the general meeting may, by an ordinary resolution, decide to dismiss the accounting firm before the expiration of its term of office.

NOTICES AND ANNOUNCEMENTS

15. Notices and Announcements

The Company’s notice shall be delivered in the following forms:

- (I) By personal delivery;
- (II) By mail;
- (III) By way of announcement (including the website designated by the stock exchange of the place where the shares of the Company are listed and the Company’s website);
- (IV) Other forms stipulated by laws, administrative regulations, departmental rules, the Articles of Association, or the rules of relevant regulatory authorities of the place where the shares of the Company are listed.

Subject to laws, administrative regulations, the listing rules of the stock exchange of the place where the shares of the Company are listed, and the Articles of Association, where a notice is given by the Company by way of announcement, once publicized, it shall be deemed that all relevant persons have received the notice.

The notice convening the general meeting of the Company shall be given by way of announcement, and the media for publishing the announcement shall be the information disclosure newspapers or websites designated by laws, administrative regulations, departmental rules, and the listing rules of the stock exchange of the place where the shares of the Company are listed.

The notice of the Board meeting of the Company shall be given to all Directors by telephone, fax, email or other means.

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The Company shall make announcements and disclose information to domestic shareholders through information disclosure newspapers and websites designated by laws, administrative regulations or relevant domestic regulatory authorities. Where announcements are required to be made to H Shareholders under the Articles of Association, the relevant announcements shall also be made in accordance with the methods prescribed by the Hong Kong Listing Rules. Information disclosed by the Company on other public media shall not be earlier than that on designated newspapers and websites, and shall not replace company announcements in other forms such as press releases or press conferences.

The Board shall have the right to adjust and determine the Company’s information disclosure media, provided that it shall ensure that the designated information disclosure media comply with relevant laws and regulations in the Chinese Mainland and Hong Kong, as well as the qualifications and conditions prescribed by the securities regulatory authorities of the State Council, overseas regulatory authorities, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed and relevant regulatory authorities. The Company designates the media/websites specified by the CSRC and the stock exchange of the place where the shares of the Company are listed as the media for publishing company announcements and other information required to be disclosed.

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

16. Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may take the form of merger by absorption or merger by new establishment. The Company absorbing other companies is a merger by adsorption, and the absorbed Company is dissolved. The merger of two or more companies to create a new Company is a merger by new establishment, and the merging parties are dissolved.

Where companies merge, the merging parties shall enter into a merger agreement, and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution, and publish an announcement within 30 days in newspapers recognized by the company registration authorities and the stock exchange where the shares of the Company are listed, or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days of receiving the notice, or creditors who do not receive the notice shall, within 45 days of the date of the announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

If the Company is to be divided, its property shall be divided accordingly.

In the case of a division, the balance sheets and a schedule of assets shall be prepared. The Company shall notify its creditors within 10 days since the date on which the resolution to proceed with the division is adopted, and make an announcement within 30 days in newspapers or on the National Enterprise Credit Information Publicity System.

If the Company reduces its registered capital, it shall prepare the balance sheets and a schedule of assets.

The Company shall notify its creditors within 10 days since the date on which the resolution to proceed with the reduction in the registered capital is adopted, and make an announcement within 30 days in newspapers or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

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If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares according to the proportion of capital contributions or shares held by the shareholders, unless otherwise provided by law or the Articles of Association. Where the Company continues to have losses after covering them in accordance with Article 151 of the Articles of Association, it may reduce its registered capital to cover the losses. Where the registered capital is reduced to cover losses, the Company shall not distribute profits to its shareholders, nor shall it exempt shareholders from their obligations to pay capital contributions or share monies.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of the preceding Article shall not apply, but an announcement shall be published in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of the reduction resolution of the general meeting.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits before the accumulated amount of statutory reserve fund and discretionary reserve fund reaches 50% of the registered capital of the Company.

When the Company issues new shares to increase its registered capital, shareholders shall not enjoy pre-emptive rights, unless otherwise provided by the Articles of Association or resolved at the general meeting.

Where the merger or division of the Company results in a change in its registered particulars, such change shall be registered with the Company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new Company is established, its establishment shall be registered according to law.

Where the Company increases or reduces its registered capital, such change shall be registered with the company registration authority in accordance with the law.

17. Dissolution and Liquidation

The Company shall be dissolved if:

- (I) Business term specified in the Articles of Association expires or other dissolution reasons as stipulated in the Articles of Association arise;
- (II) The general meeting resolves to dissolve the Company;
- (III) Dissolution due to merger or division of the Company;
- (IV) The business license is revoked, or the Company is ordered to close or is canceled in accordance with the law;
- (V) There is a severe difficulty in the operation and management of the Company, and the continued existence of the Company will have a material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders holding more than 10% of the voting rights of all shares of the Company can make a petition to a people's court to dissolve the Company.

Where any of the events of dissolution specified in the preceding paragraph occurs, the Company shall publicize such event of dissolution on the National Enterprise Credit Information Publicity System within 10 days.

The liquidation committee shall notify its creditors within a period of 10 days since the date it is established, publish relevant announcements within 60 days in designated newspapers or on the National Enterprise Credit Information Publicity System, and in the manner required by the stock exchange of the place where the shares of the Company are listed. Creditors shall, within 30 days since the date of receiving the notice, or for creditors who do not receive the notice, within 45 days since the date of the announcement, report their creditors' rights to the liquidation committee.

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When reporting creditors’ rights, the creditors shall provide an explanation of matters relevant to the creditor’s rights and provide the supporting evidence. The liquidation committee shall register the creditors’ rights.

In the course of reporting the creditors’ rights, the liquidation committee shall not repay the creditors.

The remaining property of the Company after paying the liquidation expenses, the wages, social insurance fees and statutory compensation, outstanding taxes and debts of the Company shall be distributed in proportion to the number of shares held by shareholders.

During the liquidation period, the Company shall continue to exist, but shall not commence any operating activities that are not related to the liquidation.

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

AMENDMENT TO THE ARTICLES OF ASSOCIATION

18. Amendments to the Articles of Association

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

- (I) Matters provided for in the Articles of Association are in conflict with the provisions of the amended Company Law or relevant laws, administrative regulations, departmental rules, normative documents or the listing rules of the place where the shares of the Company are listed;
- (II) A change in the condition of the Company that is inconsistent with the matters recorded in the Articles of Association;
- (III) The general meeting decides to amend the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the general meeting shall be subject to the approval of the competent authorities, it shall be submitted to the competent authorities for approval; if it involves registration matters of the Company, registration of changes shall be made in accordance with the law.