

Shiyue Daotian Group Co., Ltd.

Articles of Association

(applicable after the issuance of H shares)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of Shiyue Daotian Group Co., Ltd. (hereinafter referred to as the “Company”) and its shareholders and creditors, and to regulate the organization and acts of the Company, these Articles of Association are formulated pursuant to the *Company Law of the PRC* (hereinafter referred to as the “Company Law”), the *Securities Law of the PRC* (hereinafter referred to as the “Securities Law”), the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》), the *Guidelines for the Articles of Association of Listed Companies* (《上市公司章程指引》), the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as the “Hong Kong Listing Rules”), and other relevant provisions.

Article 2 The Company is a joint stock company with limited liability wholly changed and established by Shiyue Daotian Agricultural Technology Co., Ltd. (十月稻田農業科技有限公司) based on the conversion of the audited net book value of assets into shares in accordance with the provisions of the Company Law and other relevant laws and regulations. The Company is registered with Shenyang Administration for Market Regulation and currently holds a business license with the unified social credit code of 91210181MA0XQF19XH.

Article 3 The Company has completed its filing with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) and upon review and approval by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on October 11, 2023, the Company initially issued 53,407,500 ordinary shares denominated in RMB with a par value of RMB0.1 each to the public, which were listed on the Hong Kong Stock Exchange on October 12, 2023.

Article 4 Name of the Company

Full Chinese name: 十月稻田集團股份有限公司

Full English name: Shiyue Daotian Group Co., Ltd.

Article 5 Company’s address: Dahuangdi Village, Xinglongpu Town, Xinmin City, Shenyang, Liaoning Province, Postal code: 110316

Article 6 The registered capital of the Company is RMB106,815,315, with a total investment of RMB106,815,315.

Article 7 The Company is a joint stock limited company which has perpetual existence and with a long-term business term.

Article 8 The chairman of the Company is the legal representative of the Company.

Article 9 All assets of the Company are divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

Article 10 From the date on which the Company's Articles of Association come into effect, the Articles of Association constitute the legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se and are legally binding on the Company, its shareholders, directors, supervisors and senior management personnel. Pursuant to the Articles of Association, a shareholder may take legal action against another shareholder, a shareholder may take legal action against the Company's directors, supervisors, general managers and other senior management personnel, a shareholder may take legal action against the Company and the Company may take legal action against its shareholders, directors, supervisors, general managers and other senior management personnel.

Article 11 The term "other senior management personnel" referred to in these Articles of Association refers to the deputy general managers, secretary to the board of directors, head of financial department, and other senior management personnel recognized by the board of directors of the Company.

Article 12 The Company shall, subject to the provisions of the Constitution of the Communist Party of China, establish a communist party organization and carry out party-related activities. The Company shall provide the necessary conditions for the activities of the party organization.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 13 Group's name: Shiyue Daotian Group; The Group's name is abbreviated as Shiyue Daotian. The business objectives of the group company are to provide consumers with safe and high-quality food, create a happy lifestyle for consumers, and become a pantry food brand in China in an effort to seek profits for farmers and benefit diners. With the values of brand, quality, integrity, and innovation, the Group forms standardized benefits, creates and accumulates for the enterprise, and creates more job opportunities for employees.

Article 14 After registration in accordance with the law, the Company's scope of business includes: licensed projects: grain processing and food production, food production, food operation, sales of food on the internet (sales of pre-packaged food), road freight (excluding dangerous goods), import and export of goods, import and export of technologies (for projects that require approval in accordance with the law, the operating activities of which can only be carried out after being approved by relevant departments, and specific operating projects are subject to the approval results); General projects: agricultural scientific research and experimental development, acquisition of primary agricultural products, production, sales, processing, transportation, storage, and other related services of agricultural products, initial processing of edible agricultural products, wholesale and retail of edible agricultural products, general goods warehousing services (excluding projects that require licensing and approval such as hazardous chemicals), agricultural professional and auxiliary activities, services, development, consultation, exchange, transfer and promotion regarding technologies (except for projects that require approval in accordance with the law, operating activities shall be carried out independently with the business license in accordance with the law).

CHAPTER 3 SHARES

Section 1 Issue of Shares

Article 15 The shares of the Company shall take the form of registered share certificates.

Where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares. Where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.

The Company shall keep a register of shareholders, which shall contain the following particulars, or conduct shareholder registration in accordance with laws, administrative regulations, departmental rules and the Hong Kong Listing Rules.

Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may apply to the Company for issue of a replacement share certificate in respect of such shares (hereinafter referred to as the “Relevant Shares”) if his/her share certificate (hereinafter referred to as the “Original Certificate”) is lost. If a shareholder whose share certificate of domestic listed shares has lost applies to the Company for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law. If a shareholder whose share certificate of overseas-listed shares has lost applies to the Company for a replacement share certificate, it shall be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of holders of overseas-listed shares is kept.

Article 16 All shares issued by the Company are ordinary shares.

Article 17 The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The same price shall be paid for each of the shares subscribed for by any entity or individual.

The domestic unlisted shares and the overseas listed foreign shares issued by the Company have the same rights in any distribution made in the form of dividends (including cash and in-kind distribution) or other forms. No power shall be exercised to freeze or otherwise impair any rights attached to the shares solely because any person directly or indirectly holding an interest has not disclosed his/her interests to the Company.

Article 18 All shares issued by the Company shall have a par value denominated in Renminbi, which shall be RMB0.1 for each share.

Article 19 The total number of ordinary shares issued to each of the promoters during the establishment of the Company was 99,445,074 shares, with a par value of RMB1 each. The number of shares subscribed for by the promoters of the Company, shareholding proportion, way of capital contribution, and time of capital contribution are as follows:

No.	Name of promoter	Number of shares subscribed for (10 thousand shares)	Shareholding proportion	Way of capital contribution	Time of capital contribution
1	Wang Bing	2,197.2365	22.0950%	Net assets	December 20, 2022
2	Zhao Shulan	128.8334	1.2955%	Net assets	December 20, 2022
3	Shenyang Shiyue Daotian Enterprise Management Consulting Partnership (Limited Partnership) (瀋陽十月稻田企業管理諮詢合夥企業(有限合夥))	3,860.3676	38.8191%	Net assets	December 20, 2022
4	Shenyang Shiyue Zhongxin Enterprise Management Consulting Partnership (Limited Partnership) (瀋陽十月眾鑫企業管理諮詢合夥企業(有限合夥))	1,046.1155	10.5195%	Net assets	December 20, 2022
5	Generation Sigma HK Investment Limited (啟承西格瑪香港投資有限公司)	1,267.2995	12.7437%	Net assets	December 20, 2022
6	Shenzhen Sequoia Hanchen Equity Investment Partnership (Limited Partnership) (深圳市紅杉瀚辰股權投資合夥企業(有限合夥))	287.5744	2.8918%	Net assets	December 20, 2022
7	SCC Growth VI Holdco Y, Ltd. (紅杉成長六期控股有限公司)	287.5744	2.8918%	Net assets	December 20, 2022
8	YM Mega Media (HK) Limited (雲鋒聚媒(香港)有限公司)	345.0892	3.4701%	Net assets	December 20, 2022

No.	Name of promoter	Number of shares subscribed for (10 thousand shares)	Shareholding proportion	Way of capital contribution	Time of capital contribution
9	MIC Capital Management 81 RSC Ltd. (穆巴達拉資本管理捌壹有限責任公司)	294.3574	2.9600%	Net assets	December 20, 2022
10	CMC October Holdings Limited (CMC 十月控股有限公司)	184.0476	1.8507%	Net assets	December 20, 2022
11	Ningbo Meishan Free Trade Port Zone Ceran Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區策然投資管理合夥企業(有限合夥))	46.0119	0.4627%	Net assets	December 20, 2022
Total		9,944.5074	100%	–	–

Article 20 The Company was filed with the CSRC on May 30, 2023 and approved by the Hong Kong Stock Exchange on October 11, 2023 to issue no more than 53,407,500 overseas listed foreign shares to investors. After the completion of the issuance of overseas listed foreign shares mentioned above, the Company's share capital structure is: the total number of shares of the Company is 1,068,153,150 shares, all of which are ordinary shares, with a par value of RMB0.1 each.

Article 21 The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance including in the forms of gift, monetary advancement, guarantee, compensation or loan etc. to any person acquiring or proposing to acquire shares of the Company.

Section 2 Increase, Decrease and Repurchase of Shares

Article 22 The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions separately passed at the general meetings:

- (1) by public offering of shares;
- (2) by non-public offering of shares;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by converting common reserve fund into share capital;

- (5) by any other means which is stipulated by law and administrative regulations and approved by the CSRC.

Article 23 The Company may reduce its registered capital. Reduction of registered capital of the Company shall be made in accordance with the procedures stipulated in the Company Law and other relevant provisions, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Article 24 The Company shall not acquire the Company's shares save and except for any one of the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with other companies that hold shares of the Company;
- (3) to use the shares for employee stock ownership plan or as equity incentives;
- (4) to acquire the shares of shareholders (upon their requests) who vote against any resolution adopted at any general meeting on the merger or division of the Company;
- (5) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (6) be necessary for the Company to protect its value and shareholders' interests.

Article 25 The Company may acquire its shares by open and centralized transaction method or other method approved by laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed and the CSRC.

The Company's acquisition of its own shares under the circumstances as stipulated in (3), (5) or (6) of the first paragraph of Article 24 of these Articles of Association shall be conducted by an open and centralized transaction method.

Article 26 The Company's acquisition of its own shares under the circumstances as stipulated in (1) or (2) of the first paragraph of Article 24 of these Articles of Association shall be approved by a resolution of the general meeting. The Company's acquisition of its own shares under the circumstances as stipulated in (3), (5) or (6) of the first paragraph of Article 24 of these Articles of Association shall be approved by a resolution at a board meeting attended by no less than two-thirds of the directors pursuant to the provisions of these Articles of Association or as authorized by the general meeting.

Shares of the Company acquired under the circumstance as stipulated in (1) of the first paragraph of Article 24 of these Articles of Association shall be cancelled within 10 days from the day of acquisition; shares acquired under the circumstances as stipulated in (2) or (4) shall be transferred or cancelled within 6 months from the day of acquisition; for the circumstances as stipulated in (3), (5) or (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and the shares so acquired by the Company shall be transferred or cancelled within 3 years from the day of acquisition.

Section 3 Transfer of Shares

Article 27 The Company's shares are transferable in accordance with the law.

The assignment and transfer of shares shall be registered in the register of shareholders. Pursuant to the understanding or agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authorities, the Company may keep the register of holders of overseas listed foreign shares overseas and entrust an overseas agency to manage it. The original register of shareholders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

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

Article 28 The Company shall not accept shares of the Company as the subject of any pledge.

Article 29 Shares of the Company held by the promoter shall not be transferred within one year from the date of establishment of the Company. Shares issued by the Company prior to the public offering of its shares may not be transferred within one year from the date of listing of its shares on a stock exchange.

Directors, supervisors and senior management personnel of the Company shall declare to the Company of the number of shares of the Company held and any changes in relation thereto and shall not transfer more than 25% of the total number of shares of the Company of the same class held by them every year during their tenure. The shares held by the aforementioned person shall not be transferred within one year from the date of listing of the Company's shares. The aforesaid officers shall not transfer the shares of the Company held by them within six months from the date they cease their employment with the Company.

Article 30 In the event that any shareholder, director, supervisor, senior management personnel holding 5% or more of the shares of the Company disposes of the shares of the Company or other securities of the nature of equity within six months after his/her acquisition, or where shares are acquired within six months after the date of disposal of any shares, any gains arising therefrom shall belong to the Company, and the board of directors of the Company shall recover such gains. However, a securities company holds 5% or more shares by taking up the remaining shares not subscribed pursuant to an underwriting arrangement, as well as other circumstances stipulated by the CSRC are excluded.

The shares or other securities of the nature of equity held by directors, supervisors, senior management personnel and individual shareholders as mentioned in the preceding paragraph, include the shares or other securities of the nature of equity held by their spouses, parents, and children, or held through the accounts of others.

In the event that the board of directors of the Company does not comply with the provisions of the first paragraph of this Article, the shareholders are entitled to demand the board of directors to take enforcement action within 30 days. In the event that the board of directors fails to take the enforcement action within the aforesaid time limit, the shareholders are entitled to institute proceedings in their own names at the people's court for the benefit of the Company.

In the event that the board of directors of the Company does not comply with the provisions of the first paragraph of this Article, the directors who are liable for the matter shall assume joint liability under the law.

Where the laws, regulations and the securities regulatory authorities or the stock exchanges of places where the shares of the Company are listed contain provisions which stipulate on the period of closure of the register of shareholders prior to a general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 Shareholders

Article 31 The Company shall establish a register of shareholders with the information provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Article 32 When the Company convenes a general meeting, declare dividends, liquidate the Company or conduct other matters which require shareholders' identity to be ascertained, the board of directors or the convener of the meeting shall determine the equity registration date, and shareholders whose names appear on the register of shareholders after the close of trading of the shares of the Company on such date shall be entitled to the rights and benefits in connection therewith.

Article 33 The shareholders of the Company shall have the following rights:

- (1) to receive dividends and other profit distribution in proportion to the number of shares held by them;
- (2) to propose, convene, preside over, attend in person or appoint a proxy to attend the shareholders' general meeting, and to exercise the corresponding right to speak and vote in accordance with laws;
- (3) to supervise and to put forward proposals and make enquires relating to the business operational activities of the Company;
- (4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and these Articles of Association;

- (5) to inspect these Articles of Association, register of shareholders, counterfoils of corporate bonds, minutes of the shareholders' general meetings, resolutions of the meetings of the board of directors, resolutions of the meetings of the board of supervisors and financial reports;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of residual assets of the Company according to the number of shares held by them;
- (7) the right to request the Company to purchase the shares held by that shareholder if such shareholder objects to a resolution of the shareholders' general meeting on the merger or division of the Company;
- (8) other rights conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these Articles of Association.

Article 34 A shareholder requesting for inspection of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder. Shareholders shall keep confidential the information and materials they inspect.

Article 35 If the content of a resolution of a shareholders' general meeting or the board of directors violates any laws or administrative regulations, a shareholder has the right to file a petition with the court to invalidate the resolution.

If the procedure for convening or the method of voting at a shareholders' general meeting or a meeting of the board of directors violates any laws, administrative regulations or these Articles of Association, or if the content of a resolution breaches these Articles of Association, a shareholder has the right to file a petition with the people's court to revoke the resolution within 60 days from the date on which the resolution was passed.

Article 36 If a director or senior management personnel has violated any laws, administrative regulations or these Articles of Association in the course of performing his or her duties to the Company, and thereby caused the Company to incur a loss, a shareholder or shareholders who individually or jointly hold 1% or more of the Company's shares for more than 180 consecutive days has the right to request in writing the board of supervisors to initiate proceedings in the people's court. If the board of supervisors has violated the laws, administrative regulations or these Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, shareholder(s) may request in writing the board of directors to initiate proceedings in the people's court in respect thereof.

If the board of supervisors or the board of directors refuses to initiate proceedings after receipt of a written request from the shareholder(s) as mentioned in the preceding paragraph, or fails to initiate proceedings within 30 days from the date of receipt of the request, or under urgent circumstances where failure to promptly initiate proceedings would cause irreparable harm to the Company's interests, the shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the people's court in their own name in the interests of the Company.

If any third party infringes the lawful rights of the Company and has caused a loss to the Company, the shareholders mentioned in the first paragraph of this Article may initiate proceedings in the people's court according to the provisions of the two preceding paragraphs.

Article 37 If a director or senior management personnel violates laws, administrative regulations or these Articles of Association and prejudices the interests of the shareholders of the Company, the shareholders may initiate proceedings in the people's court in respect thereof.

Article 38 The shareholders of the Company shall assume the following obligations:

- (1) to comply with the laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw their share capital unless otherwise provided by laws or administrative regulations;
- (4) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors;
- (5) other obligations imposed by laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

If a shareholder abuses his/her shareholder rights and causes a loss to the Company or other shareholders, he or she shall be held liable for damages in accordance with laws.

If a shareholder abuses the Company's legal person status or his/her limited liability as a shareholder to evade debts and thereby seriously harms the interests of the Company's creditors, he or she shall bear joint and several liability for the debts of the Company.

Article 39 Where a shareholder who holds 2% or more of the voting shares of the Company pledges the shares he/she holds or if there are any changes to the shares, such shareholder shall report in writing to the Company on the date on which it happens.

Article 40 The controlling shareholder and the de facto controller of the Company shall not take advantage of their affiliated relationship to harm the interests of the Company, and shall be held liable for damages if they cause any loss to the Company in violation of the preceding provisions.

The controlling shareholder and the de facto controller of the Company shall bear the fiduciary duty to the Company and the shareholders who hold the shares issued to the public. The controlling shareholder shall exercise his/her rights as an investor strictly according to laws. The controlling shareholder shall not harm the lawful interests of the Company and the shareholders of shares issued to the public by way of profit distribution, assets restructuring, investment in any third party, appropriation of funds, loan security or any other ways. The controlling shareholder shall not harm the interests of the Company or the shareholders of shares issued to the public by taking advantage of his/her controlling status.

Section 2 General Provisions for Shareholders' General Meetings

Article 41 The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws.

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace the directors and supervisors assumed by non-representatives of the employees and decide on matters relating to the remuneration of the directors and supervisors;
- (3) to review and approve the reports of the board of directors;
- (4) to review and approve the reports of the board of supervisors;
- (5) to review and approve the Company's proposed annual financial budget and final accounts;
- (6) to review and approve the Company's profit distribution plans and loss recovery plans;
- (7) to decide on the increase or reduction of the Company's registered capital;
- (8) to decide on the issue of bonds by the Company;
- (9) to decide on merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;
- (10) to amend these Articles of Association;
- (11) to decide on the appointment or dismissal of the accounting firms of the Company;
- (12) to review and approve the security-related matters stipulated in Article 42;
- (13) to review the matters of purchase and/or sale by the Company within one year of significant assets exceeding 30% of the latest audited total assets of the Company;
- (14) to review and approve the change of the use of the raised funds;
- (15) to review stock incentive plans and employee stock ownership plans;
- (16) to review other matters which, according to laws, administrative regulations, departmental rules or these Articles of Association, are subject to shareholders' approval in general meetings.

Article 42 The Company's following activities of providing external guarantees shall be examined and approved by the shareholders' general meeting.

- (1) Any guarantees after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds fifty per cent of the latest audited net assets;
- (2) Any guarantees after the total amount of external guarantees provided by the Company exceeds thirty per cent of the latest audited total assets;
- (3) Guarantees after the amount of the guarantees provided by the Company within one year exceeds thirty per cent of the Company's latest audited total assets;
- (4) Any guarantee provided for the beneficiary whose debt-to-asset ratio exceeds seventy per cent;
- (5) Any single guarantee with its amount exceeding ten per cent of the latest audited net assets;
- (6) Any guarantee provided for a shareholder, de facto controller and their affiliated parties.

In addition to the above provisions, other external guarantees of the Company shall be approved by the board of directors and approved by more than two-thirds of the directors attending the board meeting. Without the approval of the shareholders' general meeting or the board of directors, the Company shall not provide external guarantees.

"External guarantees" mentioned in these Articles of Association refer to guarantees provided by the Company to others, including guarantees provided by the Company to its holding subsidiaries. "Total amount of external guarantees provided by the Company and its holding subsidiaries" refers to the sum of the Company's total external guarantees including the guarantees provided by the Company for its holding subsidiaries plus the total external guarantees provided by the holding subsidiaries of the Company.

Article 43 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within 6 months from the end of the preceding financial year.

Article 44 The Company shall convene an extraordinary general meeting within 2 months from the occurrence of any one of the following events:

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in these Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (3) where shareholder(s) who individually or jointly hold(s) 10% or more of the Company's shares request(s);
- (4) whenever the board of directors deems necessary;
- (5) when the board of supervisors so requests;

- (6) other circumstances specified in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

Article 45 The venue of the shareholders' general meetings of the Company shall be the domicile of the Company or other location specified in the notice of the shareholders' general meeting. Shareholders' general meetings shall be held onsite at a venue. The Company may also provide an online platform or other means for its shareholders to conveniently participate in shareholders' general meetings. Shareholders participating in a shareholders' general meeting by the aforementioned means shall be deemed to have attended such meeting.

After the notice of the shareholders' general meeting is issued, the venue of the shareholders' general meeting to be held onsite shall not be changed without proper reasons. In the case of any necessary change, the convener shall notify every shareholder and give the reasons therefor at least two working days prior to the date on which the onsite meeting is scheduled.

Article 46 The Company shall, for general meetings held, engage lawyers to provide legal opinions on the following issues and make related announcement:

- (1) whether or not the procedures for convening of the meeting are in compliance with the laws, administrative regulations and these Articles of Association;
- (2) whether or not persons attending the meeting and the convener of the meeting are qualified and lawful;
- (3) whether or not the procedure and results of voting are lawful and valid;
- (4) any other issues to be addressed by legal opinions as required by the Company.

Section 3 Convening of Shareholders' General Meeting

Article 47 Independent directors are entitled to propose to the board of directors for convening an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the board of directors shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the board agrees to convene such extraordinary general meeting pursuant to the laws, administrative regulations and these Articles of Association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board. Where the board disagrees to convene such extraordinary general meeting, the board shall give reasons for such decision, which shall also be announced.

Article 48 The board of supervisors has the right to propose to the board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and these Articles of Association.

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board, provided that any changes to the original proposal shall be subject to the consent being obtained from the board of supervisors.

Where the board disagrees to convene such extraordinary general meeting, or where the board fails to provide any response within ten days after receiving such proposal, it shall be deemed that the board has not been able to perform or it does not perform its duty to convene such general meeting, and the board of supervisors may by itself convene and preside over such meeting.

Article 49 Shareholders separately or aggregately holding 10% or more of the Company's shares have the right to propose to the board to convene an extraordinary general meeting by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the request in accordance with the requirements of the laws, administrative regulations and these Articles of Association.

If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five days after the board resolved to do so. If the board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, shareholders separately or aggregately holding 10% or more of the Company's shares have the right to propose to the board of supervisors to convene an extraordinary general meeting by way of written request(s).

If the board of supervisors agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders.

If the board of supervisors does not issue notice of the extraordinary general meeting within the required period, it will be considered as not going to convene and preside over the extraordinary general meeting, and shareholders separately or aggregately holding 10% or more of the shares of the Company for ninety or more consecutive days have the right to convene and preside over the meeting on their own.

Article 50 If the board of supervisors or shareholders decide to convene the general meeting on their own initiative, they shall notify the board in writing.

Before the resolution of the shareholders' general meeting is made, the shareholding proportion of the convening shareholders shall not be less than 10%.

Article 51 With regard to the shareholders' general meeting convened by the board of supervisors or shareholders on their own initiative, the board of directors and the board secretary shall provide assistance. The board of directors shall provide the register of shareholders as of the record date for the general meeting. The register of shareholders obtained by the convener shall not be used for any purpose other than convening a shareholders' general meeting.

Article 52 The Company shall bear costs and expenses necessary for the shareholders' general meetings, which are convened by the board of supervisors or shareholders on their own initiative.

Section 4 Proposals and Notices of Shareholders' General Meetings

Article 53 The contents of the proposals shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Article 54 When the Company convenes the shareholders' general meeting, the board of directors, the board of supervisors or shareholders, individually or in aggregate, holding no less than 3% of the shares of the Company shall have the right to put forward proposals to the Company.

A shareholder alone or shareholders jointly holding no less than 3% of the shares of the Company may submit interim proposals in writing to the convenor ten days prior to the date of general meeting. The convenor shall issue a supplemental notice of general meeting within two days after receipt of the proposals, with such interim proposals announced.

Except as provided in the preceding paragraph, the convenor, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meeting nor add new proposals.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with Article 53 of these Articles of Association.

Article 55 The convenor shall, by way of an announcement, issue a notice 20 days prior to the convening of the annual general meeting to notify every shareholder or 15 days prior to the convening of the extraordinary general meeting to notify every shareholder.

When calculating the starting date and the ending date, the date on which the notice is given is included and the date on which the meeting is convened is excluded.

Article 56 Notice of the general meeting shall include the following:

- (1) the time, venue and duration of the meeting;
- (2) subject matters and proposals submitted for consideration and approval at the meeting;
- (3) particulars shall be in clear text that all shareholders are entitled to attend general meetings and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;
- (4) the equity registration date of the shareholders who are entitled to attend on the general meetings;
- (5) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings;

(6) online or other means of voting time and voting procedures.

Article 57 Where the elections of directors and supervisors are to be discussed, a notice of the general meeting shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:

- (1) Personal particulars such as educational background, working experience and part-time jobs;
- (2) Whether or not the candidate has any connected relationship with the Company or its controlling shareholders and de facto controllers;
- (3) The number of shares of the Company held by the candidate;
- (4) Whether or not the candidate has been subject to penalties by the CSRC and other relevant authorities as well as sanctions by any stock exchange.

Except for the election of directors and supervisors by cumulative voting mechanism, the nomination proposal on each candidate for director or supervisor shall submit in the form of independent proposal (or to be voted on individually in the same proposal).

Article 58 After the issue of a notice of general meeting, the general meeting shall not, without any proper reason, be postponed or cancelled, and the proposals set out in the notice of meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall, at least two working days before the date of the scheduled meeting, notify every shareholder and state the reason.

Section 5 Holding of Shareholders' General Meetings

Article 59 The board of directors and other convener shall take necessary measures to ensure the good order of the shareholders' general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and punishment.

Article 60 All the shareholders or their proxies recorded in the register of shareholders on the record date are entitled to attend the shareholders' general meeting, and shall exercise their voting rights in accordance with the relevant laws, regulations, the Hong Kong Listing Rules and these Articles of Association. The Company and the convener shall not refuse for any reason.

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

Article 61 An individual shareholder who attends the shareholders' general meeting in person shall present his/her identity card or other valid identification documents or certificates, or his/her stock account card. Where a proxy is appointed to attend the meeting, the proxy shall produce his/her own identity card and the proxy form.

A corporate/partnership shareholder shall attend the meeting by its legal representative/ managing partner (its appointed representative) or a proxy appointed. The legal representative/ managing partner (its appointed representative) who attends the shareholders' general meeting shall present his/her identity card and valid certification documents which can prove his/her authority to act as the legal representative/managing partner (its appointed representative). Where a proxy is appointed to attend the meeting, the proxy shall present his/her own identity card and the written proxy form issued in accordance with the law by the legal representative/managing partner (its appointed representative) of the corporate/partnership shareholder (except for recognized clearing house (or its proxy)).

Article 62 Where the shareholder is a recognized clearing house as defined by relevant regulations enacted by Hong Kong from time to time (or its nominee(s)), it may authorize such person or persons as it thinks fit to act as its representative(s) at any shareholders' general meeting and creditors' meeting, and the authorization form shall be signed by the authorized personnel of the recognized clearing house. The person so authorized will be entitled to attend the meetings and exercise the same rights (including the rights to speak and vote) on behalf of the recognized clearing house or its nominee(s) as if it were an individual shareholder of the Company, without presenting the shareholding certificate, notarized authorization and/or further evidence to prove that it is officially authorized.

Article 63 The proxy form issued by shareholders to authorize other persons to attend the general meeting on their behalf shall clearly state the following:

- (1) the name of the proxy;
- (2) whether the proxy has the right to vote;
- (3) instructions to vote for, against or abstain from voting respectively on each matter to be considered on the agenda of the shareholders' general meeting; whether the proxy has the right to vote on interim proposals that may be included in the agenda of the shareholders' general meeting, if so, specific instructions on what voting rights should be exercised;
- (4) the signing date and the period of validity of the proxy form;
- (5) signature (or seal) by the appointer. If the appointer is a corporate/partnership shareholder, the common seal of the entity shall be affixed.

Article 64 The proxy form should indicate if the proxy may vote at his/her discretion if no instructions have been given by the shareholder. If no instruction is specified, it shall be deemed that the proxy has the right to vote at his/her discretion.

Article 65 If the proxy form is signed by a person authorized by the appointor, the powers of attorney or other instruments of authorization under which is signed shall be notarized. The powers of attorney or other instruments of authorization so notarized and the proxy form shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify before the convention of the relevant meetings or the specific voting.

If the appointor is a legal person/partnership, such shareholder shall be represented at the general meeting of the Company by its legal representative/managing partner (its appointed representative) or the person authorized by its board of directors or other decision-making body of such appointor.

Article 66 The attendance register of persons attending meetings shall be prepared by the Company. The register shall set forth the names of attendees (or the attending units), their identity card numbers, residential address, number of voting shares held or represented, and names of the appointors (or the appointing units), etc.

Article 67 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authorities, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.

Article 68 When the general meeting is being held, all directors, supervisors and board secretary of the Company shall be present at the meeting, and the general managers and other senior management personnel shall also attend the meeting without the voting rights.

Article 69 The general meeting shall be chaired by the chairperson of the board. In the event the chairperson of the board is unable to perform his/her duties or fails to perform his/her duties, the general meeting shall be chaired by the vice chairperson. Where the vice chairperson is unable to perform his/her duties or fails to perform his/her duties, the general meeting shall be chaired by a director jointly nominated by no less than half of the directors.

A general meeting convened by the board of supervisors shall be chaired by the chairperson of the board of supervisors. In the event the chairperson of the board of supervisors is unable to perform his/her duties or fails to perform his/her duties, a supervisor jointly elected by no less than half of the supervisors shall preside over the meeting.

A general meeting convened by shareholders shall be chaired by the representative nominated by the convener of such meeting.

In convening any general meeting, if the chairperson of the meeting has violated the rules of procedures, such that the meeting may not proceed further, with the consent of shareholders representing no less than half of the voting rights present at such meeting, the general meeting may elect a person to chair the meeting so that the meeting may proceed further.

Article 70 The rules of procedures of shareholders' general meetings shall be formulated by the Company, which shall stipulate the procedures for convening the shareholders' general meeting and voting, including notice, registration, consideration and approval of proposals, voting, vote counting, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and its signing, and the principles for the shareholders' general meeting authorizing power to the board. The authorization shall be clear and specific. The rules of procedures of shareholders' general meetings shall constitute an appendix to the Articles of Association, which shall be proposed by the board and approved by the shareholders' general meeting.

Article 71 At the annual general meeting, the board and the board of supervisors shall report to the general meeting on their work in the past year. Each independent director shall also report on their work.

Article 72 Directors, supervisors, senior management personnel shall offer clarifications and explanations to the interpellations and suggestions made by shareholders during the general meeting.

Article 73 Prior to voting, the chairperson of the general meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be that as stated in the registration of the meeting.

Article 74 Minutes of shareholders' general meetings shall be compiled by the secretary to the board.

The minutes shall contain the following:

- (1) the date, place and agenda of the meeting, and the name of the convener;
- (2) the name of the chairperson of the meeting, and the names of directors, supervisors, general managers and other senior management personnel present or in attendance at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (4) the proceeding of examination of each proposal, summary of the points discussed and results of voting;
- (5) questions and proposals put forward by shareholders and the answers or explanation thereof;
- (6) names of lawyers and vote-counters and scrutineers;
- (7) such other matters as shall be recorded in the minutes of meetings pursuant to these Articles of Association.

Article 75 The convener shall ensure that the contents of the minutes of meetings are authentic, accurate and complete. Directors, supervisors, the board secretary, the convener or his/her representative and the chairperson of meeting present at the shareholders' general meeting shall sign on the minutes of the meeting. Minutes of meetings shall be kept together with the attendance list for shareholders and authorization letters given for proxies, and any other valid information concerning online exercise of voting rights or otherwise. The period of maintaining such records shall be no less than ten years.

Article 76 The convener shall ensure that a general meeting is conducted continuously until resolutions are formed. Where the general meeting is adjourned or the relevant resolutions are not formed for special reasons such as force majeure, all necessary measures shall be taken to re-convene the general meeting as soon as practicable or, alternatively, the meeting shall be terminated, and the related announcement shall be made on a timely basis.

Section 6 Voting and Resolutions at Shareholders' General Meeting

Article 77 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights.

Special resolution at a general meeting shall be adopted by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

Article 78 The following matters shall be approved by an ordinary resolution of a general meeting:

- (1) work reports of the board of directors and the board of supervisors;
- (2) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (3) appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;
- (4) annual budget and final accounts of the Company;
- (5) annual report of the Company;
- (6) all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

Article 79 The following matters shall be approved by special resolution of a general meeting:

- (1) the increase or reduction of the registered capital by the Company;
- (2) the merger, spin-off, division, dissolution, liquidation or change in the form of the Company;
- (3) the amendment to these Articles of Association;
- (4) the amount of purchase and the sale of major assets or the guarantee by the Company within one year exceeds 30% of the latest audited total assets of the Company;

- (5) the share incentive schemes;
- (6) other matters which the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association require to be adopted by special resolutions and which the general meeting, by an ordinary resolution, considers to have a material impact on the Company and therefore require to be adopted by a special resolution.

Article 80 Shareholders (including their proxies) may exercise their voting rights in respect of the number of shares held by them which carry the right to vote. Each share carries one vote. At the time of a poll, shareholders (including proxies of shareholders) with two or more votes are not required to cast all of their voting rights in favour of or against the poll.

Where material matters affecting the interests of small-to-medium sized investors are being considered at a shareholders' general meeting, each vote cast by the small-to-medium sized investors shall be counted separately. Results of votes counted separately shall be disclosed in a timely manner.

The shares held by the Company do not carry any voting rights, and such shares shall not be counted in the shares carrying voting rights of shareholders who are entitled to attend such meeting.

If a shareholder purchases the voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after the purchase and not included in the total number of shares with voting rights of shareholders attending the shareholders' general meeting.

The board of directors, independent directors and shareholders with no less than one percent of voting shares or investor protection institutions established by laws, administrative regulations or provisions of the CSRC may solicit voting rights of shareholders. In soliciting voting rights of shareholders, information such as specific voting intention shall be sufficiently disclosed to the shareholders from whom voting rights are being solicited. Solicitation of voting rights at any consideration, whether in direct or indirect form, is prohibited. Unless under legal terms, the Company shall not propose any minimum shareholding restriction on the solicitation of voting rights.

Article 81 Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange of the place where the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted in the results.

Article 82 Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with any person (other than a director, general manager and other senior management personnel) in relation to handover of the administration of all business or the important business of the Company to that person without the approval of the general meeting by way of a special resolution.

Article 83 Lists of candidates for directors and supervisors shall be proposed to the shareholders' general meeting for voting.

When the shareholders' general meeting votes on the resolution in respect of the election of directors and supervisors, a cumulative voting system may be implemented in accordance with the provisions of these Articles of Association or the resolutions of the shareholders' general meeting.

Cumulative voting system referred to in the preceding paragraph means a system of voting for the election of directors or supervisors at the general meeting under which voting rights of each share is equal to the number of directors or supervisors to be elected and the shareholder can cast all his/her votes in the same manner. The board of directors shall provide the shareholders with the biographical details and basic information of the candidates for directors and supervisors.

Article 84 Except where the cumulative voting system is adopted, the shareholders' general meeting shall vote on all proposals one by one. If there are different proposals on the same issue, the proposals shall be voted on in chronological order according to the sequence they are proposed. Except for the reasons of force majeure or other special reasons which cause the shareholders' general meeting to be adjourned or no resolutions can be made, the shareholders' general meeting shall not postpone or refuse to vote on any proposals.

Article 85 No amendment shall be made to the proposals when the shareholders' general meeting is examining the proposals, otherwise, such amendment shall be deemed as a new proposal, which may not be voted on this general meeting.

Article 86 The same voting right shall only be exercised by one means, either through onsite voting or via internet or other voting means. If the same voting right is exercised in more than one means, the result of the first vote cast shall prevail.

Article 87 Voting at the general meeting shall be taken by way of registered poll.

Article 88 Before the relevant proposal is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the voting. Any shareholder who has related relationship with the matter under consideration and his/her proxy shall not take part in counting and scrutinizing the voting.

There shall be lawyers, representatives of shareholders and representatives of supervisors to count and scrutinize the voting jointly when proposals are voted on at a general meeting. The results shall be declared at the meeting and recorded in the minutes of the meeting.

Shareholders or their proxies, who have cast their votes by internet or other methods, shall have the right to verify their voting results in the corresponding voting system.

Article 89 The conclusion of a general meeting onsite shall not be earlier than internet or other access to the meeting. The chairperson of the meeting shall announce the voting and the results of each proposal and shall, on the basis of the voting result, announce whether the proposal is approved or not.

The companies, counting officers, scrutinizers, major shareholders, internet service provider and all relevant parties in relation to voting on site, by internet and other voting methods, shall keep confidential of the voting results prior to the official announcement of voting results.

Article 90 Shareholders attending the shareholders' general meetings shall express one of the following opinions on the proposals submitted for voting: for, against or abstain, except that the securities registration and clearing institution, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by them shall be counted as "abstain".

Article 91 If the chairperson of the meeting has any doubt as to the voting results of a resolution, he/she may conduct a count of the votes cast. If the chairperson of the meeting fails to conduct a count of votes, any shareholder, whether present in person or by proxy, who objects to the results declared by the chairperson of the meeting may immediately after the declaration of results demand a count of votes, and the chairperson of the meeting shall conduct a count of votes immediately.

Article 92 The resolutions of the shareholders' general meeting shall be announced promptly. Such announcement shall specify the number of shareholders present in person or by proxy at the meeting, the total number of voting shares held or represented by them, the percentage of such voting shares in relation to all the voting shares of the Company, the voting methods, the voting result of each proposal, and details of each resolution that is passed at the meeting.

Article 93 Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 94 If the proposal on election of new directors and supervisors is passed at the general meeting, unless otherwise provided in the resolutions of the general meeting, new directors and supervisors shall take the position immediately after the resolution is passed at the general meeting.

Article 95 Where a proposal in relation to the payment of cash dividends, stock dividend or the conversion of capital common reserve to share capital has been passed at a general meeting, the Company shall implement the specific plans within two months after the conclusion of the general meeting.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 96 Directors shall be natural persons. A person shall be disqualified from being a director of the Company in each of the following circumstances:

- (1) a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the socialist market economic order, where less than five years have elapsed since the sentence was served or a person who has been deprived of his political rights for committing a crime, where less than five years have elapsed since the sentence was served;

- (3) a person who is a former director, factory manager or manager of a company or enterprise which has been put into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business license of which was revoked and is ordered to close down due to a violation of law and who was personally liable therefore, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who has been forbidden by the CSRC with a penalty to access the securities market and who is still in the period of penalty;
- (7) Any other circumstances provided by laws, administrative regulations, other regulatory documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed.

Where the Company elects or appoints any director by violating the provisions in the preceding paragraph, such elections or appointments shall be deemed invalid. Where any director, during his/her term of office, is under any of the circumstances as mentioned in this Article, the Company shall remove him/her from his/her position.

Article 97 Directors shall be elected or replaced by the shareholders' general meeting and may be removed by the general meeting before the expiration of the term of office. Directors shall serve a term of three years and may serve a consecutive term if re-elected upon expiration of their term of office.

The term of office of a director shall commence from the date on which he/she assumes office and shall expire upon the expiration of the term of office of the current board of directors. In the event that a new director is not elected upon the expiry of term of office of the former director in a timely manner, the former director shall still, according to the provisions of laws, administrative regulations, departmental rules and these Articles of Association, perform the director's duties before the newly-elected director takes office.

The general manager or other senior management personnel may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager or other senior management personnel and directors served by employee representatives shall not exceed half of the total number of directors of the Company.

Subject to compliance with laws and administrative regulations, the general meeting may remove any director by an ordinary resolution before the expiry of his/her term of office, provided that the removal may not impact the claim for indemnity according to any contract.

Article 98 The directors shall comply with the laws, administrative regulations, and these Articles of Association. They shall bear the following obligations of fidelity to the Company:

- (1) not to exploit his/her official functions and powers to accept bribes or other unlawful income, and not to expropriate the Company's property;

- (2) not to misappropriate the Company's funds;
- (3) not to open in his/her own name or in another person's name any bank account for the purpose of depositing any of the Company's assets or funds;
- (4) not to lend the Company's funds to any other person or use the Company's assets to provide any security for any other individual in violation of these Articles of Association or without the consent of the shareholders' general meeting or the board of directors;
- (5) not to enter into any contract or transaction with the Company in violation of these Articles of Association or without the consent of the shareholders' general meeting;
- (6) not to seek business opportunities accounted to the Company for himself/herself or any other persons by exploiting his/her official functions, or run the same type of business as those of the Company for himself/herself or for others, without the consent of the shareholders' general meeting;
- (7) not to accept and embezzle commissions from transactions between other persons and the Company;
- (8) not to disclose the Company's confidential information without permission;
- (9) not to damage the interests of the Company by taking advantage of their related relationship with the Company;
- (10) other obligations of fidelity provided by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

The income incurred by the director in violation of the preceding paragraph shall be accounted to the Company; for any loss caused to the Company, he/she shall be liable for compensation.

Article 99 Directors shall abide by laws, administrative regulations and these Articles of Association and perform the following duties of diligence to the Company:

- (1) to exercise the rights conferred by the Company in a prudent, careful and diligent way so as to ensure that the business activities of the Company are in compliance with the PRC laws, administrative regulations and various economic policies of the PRC, and that the business activities do not exceed the business scope specified in the business license of the Company;
- (2) to treat all shareholders equally;
- (3) to timely understand the business operations and management of the Company;
- (4) to sign a written confirmation to the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;

- (5) to provide information and materials according to the facts to the board of supervisors and not to hinder the board of supervisors or supervisors from exercising their powers;
- (6) other duties of diligence as prescribed by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Article 100 A director shall be deemed to be unable to carry out his/her duties if he/she fails to attend two consecutive board meetings in person and fails to appoint an alternate director to attend board meetings on his/her behalf. The board of directors shall propose at the general meeting for the removal of such director. The board of directors shall propose at the general meeting for the removal of the independent director if he/she fails to attend three consecutive board meetings in person.

Article 101 A director may resign prior to the expiration of his/her term of office. If a director resigns from his/her office, he/she shall submit a written notice of his/her resignation to the board of directors. The board of directors shall make a disclosure related thereto within two days.

In the event that the number of board members of the Company falls below the statutory minimum requirement by reason of the resignation of a director, or the number of independent directors is less than one third of members of the board of directors or there are no accounting professionals among independent directors as a result of the resignation of any independent director, before the newly appointed director serves the directorship, the original director shall continue to perform the director's duties in accordance with the laws, administrative regulations, departmental rules and these Articles of Association.

Except for those set forth in the preceding paragraphs, the resignation of a director shall become effective upon the resignation notice is served on the board of directors.

Article 102 A director shall, upon his/her resignation becomes effective or expiration of his/her term of office, complete all handover formalities with the board of directors, and his/her obligations of fidelity owed to the Company and the shareholders shall not necessarily cease upon his/her resignation or the expiration of his/her office, they shall still be valid within one year upon his/her resignation becomes effective or expiration of his/her term of office, unless otherwise agreed between the Company and the director. The duty of confidentiality in relation to trade secrets of the Company or matters required to be kept confidential by the Company shall survive upon his/her resignation or the expiration of his/her office until such trade secrets are publicly disclosed.

Article 103 Except as required by these Articles of Association or except as lawfully authorized by the board of directors, no director shall act on behalf of the Company or the board of directors in his/her own name. Where a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the board of directors, such director shall declare in advance his/her position and capacity.

Article 104 The director shall be liable for the compensation to the Company for losses caused should he/she violate the laws, administrative regulations, departmental rules or these Articles of Association when performing the duties.

Section 2 Independent Directors

Article 105 The board of directors of the Company shall have independent directors, who are equivalent to independent non-executive directors under the Hong Kong Listing Rules. Members of the board of directors shall consist of at least one-third of independent directors, including at least one accounting professional.

Independent directors shall have the obligation of fidelity and diligence to the Company and all the shareholders. Independent directors shall seriously perform their duties in accordance with the requirements of the laws, administrative regulations, departmental rules and these Articles of Association in order to protect the overall interests of the Company, particularly without prejudice to the legitimate rights and interests of minority shareholders.

Article 106 Where an independent director is unqualified for being independent or other circumstances arise making him/her unqualified for performing duties as an independent director, resulting in the number of independent directors of the Company falling below the number required by these Articles of Association, the Company shall add additional independent directors to fill up the quorum as required by applicable regulations.

Article 107 The term of office of independent directors shall be the same as that of other directors of the Company, and upon expiration of the term of office, they may be re-elected for consecutive terms.

Article 108 The Company shall formulate the working rules for independent directors, which shall be drafted by the board of directors and approved by the shareholders' general meeting.

Section 3 Board of Directors

Article 109 The Company shall set up a board of directors, which shall be accountable to the shareholders' general meeting.

Article 110 The board of directors shall consist of 9 directors, including 6 non-independent directors and 3 independent directors.

Article 111 The board of directors shall exercise the following functions and powers:

- (1) to convene general meetings and report to the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the annual financial budgets plans and final accounts plans of the Company;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;

- (6) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;
- (7) to formulate plans for the Company's major acquisition, acquisition of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;
- (8) to decide on matters such as external investments, acquisition or sale of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and donations of the Company within the scope of authorization by the general meeting;
- (9) to decide on establishment of internal management organs of the Company;
- (10) to decide on the appointment or dismissal of the Company's general manager, secretary to the board of directors and other senior management members, and to decide on matters over the remunerations and rewards and punishments thereof; and to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as well as their remunerations and rewards and punishments according to the nomination of the general manager;
- (11) to formulate the basic management system of the Company;
- (12) to formulate proposals to amend these Articles of Association;
- (13) to manage the disclosure of the Company's information;
- (14) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (15) to listen to the work report of the general manager of the Company and to inspect the work of the general manager of the Company;
- (16) other functions and powers provided for in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

Article 112 The board of directors shall explain to the shareholders' general meeting the non-standard auditing opinions presented by certified accountants with respect to the Company's financial reports.

Article 113 The board of directors shall formulate the rules of procedures of the board of directors, to ensure the implementation of the resolutions made at shareholders' general meetings, improve working efficiency and ensure a scientific decision-making process. The rules of procedures of the board of directors shall be drafted by the board of directors and approved by the shareholders' general meeting.

Article 114 The board of directors shall lay down strict procedures to inspect and decide on the approval limit for external investments, acquisition or sale of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations. For major investment projects, the board of directors shall organize the relevant experts and professionals to conduct assessment for approval of the shareholders' general meeting.

Matters concerning the acquisition or sale of major assets and external investments by the Company within one year exceeding 25% of the Company's latest audited total assets shall be submitted to the board of directors for consideration.

Article 115 The board of directors shall have one chairperson and may have vice chairpersons. The chairperson and the vice chairperson shall be elected by no less than half of all the directors.

Article 116 The chairperson of the board of directors shall exercise the following functions and powers:

- (1) to preside over shareholders' general meetings and to convene and preside over board meetings;
- (2) to supervise and inspect the implementation of resolutions of the board of directors;
- (3) to organize the formulation of various rules and coordinate operation of the board of directors;
- (4) to sign on share certificates, corporate bonds and other valuable securities issued by the Company;
- (5) to propose the nomination for the Company's general manager and board secretary;
- (6) other functions and powers conferred by the board of directors.

Article 117 The vice chairperson shall assist the chairperson. In the event the chairperson of the board is unable to perform his/her duties or he/she does not perform his/her duties, the duties shall be performed by the vice chairperson. Where the vice chairperson is unable to perform his/her duties or he/she does not perform his/her duties, the duties shall be performed by a director nominated by half or more of the directors.

Article 118 The board of directors shall convene at least two meetings every year, and the board meetings shall be convened and presided over by the chairperson. All the directors and supervisors shall be notified in writing 10 days prior to the convening of a board meeting.

Article 119 Shareholders representing no less than 1/10 of all voting rights, no less than 1/3 of all the directors or the board of supervisors may propose to convene an extraordinary board meeting. The chairperson shall convene and preside over the board meeting within 10 days upon receipt of the proposal.

Article 120 Notice of extraordinary meetings of the board of directors shall be delivered in person, by mail, e-mail, facsimile, etc. All the directors and supervisors shall be notified 5 days prior to the convening of an extraordinary board meeting. The aforementioned notice period may be shortened or waived with the unanimous written consent of all directors.

Article 121 A notice for a meeting of the board of directors shall set out the followings:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) reasons and agenda;
- (4) date of issue of the notice.

Article 122 Meetings of the board of directors may be held only if more than one half of the directors are present. A resolution of the board of directors must be passed by more than half of all directors.

Vote on board of directors resolution shall be carried out on the basis of one person one vote.

Article 123 If any director is associated with the enterprises that are involved in the matters to be resolved at the meeting of the board of directors, he/she shall not exercise his/her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meeting of the board of directors may be held only if more than one half of the directors without a connected relationship are present, and the resolutions made at such a meeting of the board of directors shall be passed by more than one half of the directors without a connected relationship. If the number of non-connected directors present at such meeting is less than three, the matter shall be submitted to the general meeting for consideration.

Article 124 The voting at the meetings of the board of directors shall be conducted by registered poll in writing.

Subject to guaranteed full expression of opinions by directors, extraordinary board meetings may be held and the respective resolutions may be made by e-mail, facsimile and other communication means, and signed by the directors present at the meeting.

Article 125 Directors shall attend board meetings in person. Where a director is unable to attend a meeting for any reason, he/she shall appoint another director in writing to attend the meeting on his/her behalf. Independent directors shall not appoint non-independent directors as proxies to attend the meeting on his/her behalf. The proxy letter shall state the name of the proxy, the relevant matters, the scope of authorization, the validity period and shall be signed by the appointer or a chop shall be affixed. A director attending a meeting on behalf of another director shall exercise the right of director within the scope of authorization. If a director does not attend the board meeting in person and also fails to appoint a proxy to attend the meeting, it shall be deemed as a waiver of his/her voting rights at such meeting.

Article 126 The board of directors shall keep minutes of its decisions on the matters discussed at the meeting. Directors attending the meeting shall sign their names on the minutes of the meeting.

As the Company's files, the board meeting minutes shall be kept for a period of no less than 10 years.

Article 127 The minutes of the board meeting shall include the following contents:

- (1) the date, venue and convener's name of the meeting;
- (2) names of directors present at the meeting and directors (proxies) present at such meeting on behalf of other directors;
- (3) agenda of the meeting;
- (4) summary of points raised by directors;
- (5) manner and result of voting on each matter resolved (and the voting results shall set out the number of votes for, against or abstained a particular resolution).

Section 4 Special Committees under the Board of Directors

Article 128 The board of the Company shall set up the audit committee, the nomination committee and the remuneration committee. The special committees shall be accountable to the board, fulfill duties according to these Articles of Association and the authorization of the board of directors, and their proposals shall be submitted to the board of directors for deliberation.

The personnel composition and rules of procedures of the special committees shall be resolved separately by the board of directors.

Article 129 Each special committee may engage an intermediary agency to provide professional advice at the expense of the Company.

CHAPTER 6 GENERAL MANAGER AND OTHER MEMBERS OF THE SENIOR MANAGEMENT

Article 130 The Company has one general manager and several deputy general managers, all of whom shall be appointed or dismissed by the board of directors.

The general manager, deputy general managers, financial officer, secretary to the board of directors and other senior management personnel recognized by the board of directors are senior management members of the Company.

Article 131 The circumstances of disqualification for directors prescribed in Article 96 of these Articles of Association shall be applicable to senior management members.

Provisions regarding the duty of fidelity of directors under Article 98 and the duty of diligence of directors under items (4) to (6) of Article 99 hereof shall be applicable to senior management members.

Article 132 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management member of the Company.

The senior management members of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

Article 133 The term of office of the general manager shall be three years, and may serve consecutive terms if re-appointed after expiry thereof.

Article 134 The general manager shall be accountable to the board of directors and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the board of directors, and to report his/her work to the board of directors;
- (2) to organize the implementation of the Company's annual business plans and investment plans;
- (3) to draft plans for the establishment of the Company's internal management organizations;
- (4) to draft the Company's basic management system;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the board of directors appointment or dismissal of deputy general managers and chief financial officer of the Company;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) such other functions and powers conferred by these Articles of Association or the board of directors.

The general manager shall be present at the meetings of the board of directors.

Article 135 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the board of directors.

Article 136 The manager's working rules include the following contents:

- (1) conditions, procedures and participants of the general manager's meeting;
- (2) respective responsibilities and work allocation of the general manager and other senior management members of the Company;
- (3) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies regarding the board of directors and the board of supervisors;
- (4) other matters which the board of directors deems necessary.

Article 137 The general manager may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the employment contract concluded by the general manager and the Company.

Article 138 The Company shall have a secretary to the board of directors, whose responsibilities include preparing general meetings and board meetings of the Company, maintaining documents and managing shareholder information of the Company, and handling the information disclosure of the Company.

The secretary to the board of directors shall comply with relevant provisions of the laws, administrative regulations, departmental rules, and these Articles of Association.

Article 139 The senior management member shall be liable for the compensation to the Company for losses caused should he/she violate the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association when performing the duties.

Article 140 Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior management members of the Company shall be liable for compensation in accordance with relevant laws if they fail to faithfully perform their duties or breach their fiduciary duty and cause damage to the interests of the Company and the shareholders of public shares.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisors

Article 141 The circumstances of disqualification for directors prescribed in Article 96 of these Articles of Association shall be applicable to supervisors.

Any directors, general managers and other senior management members shall not act concurrently as supervisors.

Article 142 The supervisors shall observe the laws, administrative regulations and these Articles of Association. They shall perform the duties of fidelity and diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or misappropriate the property of the Company.

Article 143 The term of office of each supervisor shall be a period of three years, renewable upon re-election after expiry thereof.

Article 144 Where the tenure of supervisors expires and re-election has not yet been made in a timely manner, or where a supervisor resigns during his/her tenure resulting in the number of supervisors falling below the necessary quorum of meeting of the board of supervisors, the original supervisors shall (before the re-election of the new supervisors) continue to perform their duties as supervisors pursuant to the provisions of laws, administrative regulations and these Articles of Association.

Article 145 A supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

Article 146 Supervisors shall attend board meetings and may raise queries or proposals regarding matters resolved at such meetings.

Article 147 Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

Article 148 If supervisors have violated the provisions of any laws, administrative regulations, departmental rules or these Articles of Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

Section 2 Board of Supervisors

Article 149 The Company shall establish a board of supervisors. The board of supervisors shall consist of three supervisors.

The board of supervisors shall appoint a chairperson, who shall be elected by more than half of the supervisors. The meetings of the board of supervisors shall be convened and presided over by the chairperson of the board of supervisors. If the chairperson of the board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor elected by half or more of the supervisors.

The board of supervisors consists of shareholder representatives and an appropriate proportion of employee representatives of the Company, which proportion shall not be lower than 1/3. The employee representatives of the board of supervisors shall be elected by employees of the Company at the employee representatives' meeting, employee meeting or otherwise democratically.

Article 150 The board of supervisors shall exercise the following functions and powers:

- (1) to review and give written opinions on the Company's periodic reports prepared by the board of directors;
- (2) to examine the Company's financial matters;
- (3) to supervise the performance by the directors and senior management of their duties to the Company and propose the dismissal of the directors and senior management who violate the laws, administrative regulations, these Articles of Association or the resolutions of the general meeting;
- (4) to demand rectification from the directors and senior management when the acts of such persons are harmful to the Company's interests;
- (5) to propose the convening of extraordinary general meetings; to convene and preside over the general meetings in the event that the board of directors fails to perform its duties to convene and preside over the general meetings as stipulated in the Company Law;

- (6) to submit proposals to the general meetings;
- (7) to file lawsuits against directors and senior management in accordance with Article 151 of the Company Law;
- (8) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professional organizations such as accounting firms or law firms to assist its work with expenses being borne by the Company;
- (9) other functions and powers provided by laws, administrative regulations and these Articles of Association.

When the board of supervisors reviews item (1) of the first paragraph of this Article, the supervisors shall sign written confirmation on the authenticity, accuracy, and completeness of the periodic reports in accordance with the laws, and shall not entrust others to sign, nor refuse to sign for any reason.

If the supervisors are unable to guarantee the authenticity, accuracy, and completeness of the content of the periodic reports, or if there are objections to the content of the periodic reports, they shall express their opinions and explain the specific reasons in the written confirmation.

Article 151 Meetings of the board of supervisors shall be held at least once every six months. All the supervisors shall be notified 10 days prior to the convening of a meeting of the board of supervisors. Any of the supervisors may propose to hold extraordinary meetings of the board of supervisors. All the supervisors shall be notified 5 days prior to the convening of an extraordinary meeting of the board of supervisors. The aforementioned notice period may be shortened or waived with the unanimous consent of all supervisors.

Resolutions of the board of supervisors shall be passed by more than half of the supervisors.

Article 152 The board of supervisors shall formulate the rules of procedures of the board of supervisors, specify the method for conducting business and the voting procedures of the board of supervisors, so as to ensure the working efficiency and scientific decision making of the board of supervisors. The rules of procedures of the board of supervisors shall be drafted by the board of supervisors and approved by the shareholders' general meeting.

Article 153 The board of supervisors shall keep minutes of its decisions on the matters discussed at the meeting. Supervisors attending the meeting shall sign their names on the minutes of the meeting.

A supervisor is entitled to request the points made by him/her as expressed in his/her discussion to be recorded as representations made in the meeting. As the Company's files, the minutes of the meetings of the board of supervisors shall be kept for a period of no less than 10 years.

Article 154 A notice of meeting of the board of supervisors shall include the following:

- (1) date and venue of meeting and duration of the meeting;
- (2) reasons and agenda;
- (3) date of issue of the notice.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Section 1 Financial and Accounting System

Article 155 The Company shall establish the financial and accounting system according to laws, administrative regulations and the regulations of the financial department of the State Council.

Article 156 The Company shall publish its annual report within four months from the ending date of each financial year, and its interim report within three months from the ending date of the first half of each financial year. The above-mentioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and the provisions of the CSRC and the stock exchange(s).

Where the Hong Kong Listing Rules have other provisions on the submission and disclosure of annual reports and interim reports, such provisions shall prevail.

Article 157 The Company shall not keep separate books of accounts apart from its statutory books of account. The assets of the Company shall not be deposited in any account opened in the name of any individual.

Article 158 Where the Company distributes its profits after tax for the current year, it shall allocate 10 percent of the profits after tax as the Company's statutory reserve fund, provided that no allocation is required if the accumulated statutory reserve fund represents no less than 50 percent of the registered capital of the Company.

Where the statutory reserve fund of the Company is not sufficient to cover the Company's loss from the previous year, the profits for the current year shall be used to cover such loss before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

After allocation to the statutory reserve fund has been made from the profits after tax, the Company may allocate discretionary reserve fund from the profits after tax upon approval by the general meeting.

Upon making up for the losses incurred and allocating to the statutory reserve fund, the balance of the profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings, save for distribution which is not made in proportion to shareholdings as specified in these Articles of Association.

If the general meeting distributes profits to the shareholders before the Company recovers losses and withdraws statutory reserve fund in violation of the preceding paragraphs, the shareholders must return to the Company the profits so distributed.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 159 The Company's reserve funds shall be used to make up for the losses of the Company, to expand the scale of production and operation of the Company or to enlarge the Company's capital. However, capital reserve shall not be applied to make up for the losses of the Company.

When the statutory reserve fund is converted into capital, the balance of such reserve shall not be less than 25% of the Company's registered capital prior to the conversion.

Article 160 After the passing of a resolution on the proposal for profit distribution at a shareholders' general meeting, the board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the date of the relevant general meeting.

Article 161 The profit distribution policy of the Company is as follows:

(I) Decision-making procedures and mechanism for profit distribution policy

1. Decision-making mechanism and procedures for the implementation of profit distribution policy

- (1) When the board of directors of the Company proposes a cash dividend distribution, the board of directors shall carefully study and demonstrate, among other things, the timing, conditions and minimum proportion, adjustment conditions and decision-making procedure requirements for the cash dividend distribution of the Company, and the independent directors shall express clear opinions.
- (2) The profit distribution policy of the Company shall be proposed by the board of directors to the shareholders' general meeting of the Company. The profit distribution policy proposed by the board of directors shall be approved by a majority vote of the board of directors, and the independent directors shall express their independent opinions on the profit distribution policy.

In the event of misappropriation of the Company's funds by a shareholder, the Company shall deduct the funds misappropriated from the cash dividends to be distributed to that shareholder as compensation.

2. Decision-making mechanism and procedures for adjustment of profit distribution policy

- (1) In the event of force majeure such as wars and natural disasters, changes in the external operating environment of the Company that have a significant impact on the Company's production and operation, or material changes in the Company's operating conditions, the Company may adjust the profit distribution policy.

- (2) For the adjustment of the Company's profit distribution policy, the board of directors shall make a specific discussion, demonstrate the reasons in detail for the adjustment and prepare a written demonstration report, which shall be submitted to the shareholders' general meeting for consideration when the independent directors have expressed their independent opinions thereon, and the relevant resolutions shall be approved by more than two-thirds of the voting rights held by shareholders present at the general meeting.
- (3) The Company encourages small and medium-sized investors and institutional investors to actively participate in the decision-making of the Company for profit distribution. Before considering the specific profit distribution plan, the shareholders' general meeting of the Company shall fully listen to the opinions and demands of the minority shareholders and respond to the concerns of the minority shareholders in a timely manner.

(II) Details of the profit distribution policy

1. Form of profit distribution

The Company may distribute dividends in cash, stocks or a combination of cash and stocks, and give priority to profit distribution in cash.

2. Specific conditions and proportion of cash dividends

Provided that the Company has reserved statutory reserve fund and surplus reserve fund in full and the conditions for cash dividends are satisfied, the Company may distribute cash dividends. The specific proportion of dividends for each year shall be resolved by the board of directors in view of the annual profits and the future fund use plan.

The "conditions for cash dividend distribution" referred to in the preceding paragraph are as follows:

- (1) The Company is profitable for the accounting year, and the auditor has issued an audit report with unqualified opinions on the annual financial statements for the corresponding year;
- (2) The capital requirements to ensure the normal operation and long-term development of the Company;
- (3) There are no other circumstances that the board of directors deems inappropriate to distribute cash dividends.

When the Company distributes profits, the board of directors of the Company shall formulate cash dividend policies in accordance with the procedures stipulated in the Articles of Association, comprehensively considering its industry-specific characteristics, development stage, its own business model, profitability, whether there are major capital expenditure arrangements and other factors.

3. Conditions required for distributing stock dividend

If the Company is in a good operating status, and the board of directors considers that the Company's share price is not proportional to the scale of its share capital, and distributing stock dividend is beneficial to all shareholders' interests, then the board of directors may propose a plan for distributing stock dividend subject to the satisfaction of the abovementioned conditions for cash dividend distribution.

4. Interval of profit distribution

Subject to the satisfaction of the abovementioned conditions for cash dividend distribution, the Company, in principle, adopts an annual profit distribution policy. The board of directors of the Company may propose an interim profit distribution plan according to profitability, cash flow and capital demand plan, which shall be implemented upon consideration and approval by the extraordinary general meeting.

Section 2 Internal Auditing

Article 162 The Company implements an internal audit system and is equipped with full-time auditors to conduct internal audit supervision on the Company's financial revenue and expenditures and economic activities.

Article 163 The Company's internal audit system and the responsibilities of the auditing personnel shall be carried out after obtaining approval by the board of directors. The auditor-in-chief shall be accountable and report to the board of directors.

Section 3 Appointment of Accounting Firm

Article 164 The Company shall engage an accounting firm which satisfies the requirements of the Securities Law to audit the financial statements, verify the values of net assets, and conduct other related consultancy services. The term of appointment is 1 year and may be renewed.

Article 165 The engagement of an accounting firm by the Company shall be decided by a shareholders' general meeting, and no accounting firm shall be appointed by the board of directors prior to the decision of the shareholders' general meeting.

Article 166 The Company guarantees to provide true and complete vouchers, books, financial and accounting reports and other accounting materials to the accounting firm engaged and shall not refuse to provide or conceal or give false information.

Article 167 The auditing fee of the accounting firm shall be decided by the shareholders' general meeting.

Article 168 If the Company removes or does not re-appoint an accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm shall be allowed to state its opinion at the time when the shareholders' general meeting is voting for removal of the accounting firm.

An accounting firm tendering resignation shall inform the shareholders' general meeting as to whether there is any irregularity on the part of the Company.

CHAPTER 9 NOTICE

Section 1 Notice

Article 169 the notice of the Company shall be issued in the following forms:

- (1) by hand;
- (2) by mail or e-mail;
- (3) by facsimile;
- (4) by announcement;
- (5) other forms as stipulated in these Articles of Association.

Article 170 Notice issued by the Company by way of announcement shall, upon announcement, be deemed to have been received by all persons concerned.

Article 171 Notice of convening the shareholders' general meeting of the Company shall be made by announcement.

Article 172 Notice of convening the board meeting of the Company shall be sent by announcement, hand, facsimile, mail, e-mail, etc.

Article 173 Notice of convening the meeting of the board of supervisors of the Company shall be sent by hand, facsimile, mail, e-mail, etc.

Article 174 Where a notice of the Company is served by hand, the addressee shall be required to sign his/her name (or affix his/her chop) on the receipt, and the signing date of the receipt shall be the date of service; where a notice of a meeting is sent by post, such notice is deemed served 48 hours after it is deposited at the post office. Notice of a meeting given by fax will be deemed served at the recorded time of the fax machine confirming successful transmission. Where a notice of a meeting is sent by email, the date it successfully reaches the other party's server shall be the date of service. For any notices issued by the Company by way of announcement, the date of first publication shall be the date of service.

Article 175 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions approved at the meeting.

CHAPTER 10 MERGER, DIVISION, INCREASE OF REGISTERED CAPITAL, REDUCTION OF REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase of Registered Capital and Reduction of Registered Capital

Article 176 In the case of merger, the Company may take the form of merger by absorption or merger by new establishment.

In the case of mergers by absorption, a company absorbs other companies and the absorbed company is dissolved. In the case of mergers by new establishment, two or more companies combine together for the establishment of a new company, and the pre-merger companies are dissolved.

Article 177 In a merger of companies, the parties of the merger shall execute a merger agreement and prepare the balance sheet and property list. The Company shall notify their creditors within 10 days of the date on which the merger resolution is adopted, and shall publish an announcement in newspaper within 30 days.

Creditors shall be entitled to claim full repayment of all debts owed by the Company or require that respective guarantees to be provided within 30 days of receiving the notice, or within 45 days of publication of the announcement if any such creditor does not receive the notice.

Article 178 To carry out a merger, the credits and debts of the companies involved shall be succeeded or assumed by the company that survives the merger or by the newly established company.

Article 179 If the Company is to be divided, its assets shall be divided accordingly.

In a division of the Company, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within 10 days of the date on which the division resolution is adopted, and shall publish an announcement in newspaper within 30 days.

Article 180 The post-division companies shall bear several and joint liabilities for the debts of the Company before the division unless it is otherwise prescribed in a written agreement reached by the Company and the creditors before the division regarding the pay-off of debts.

Article 181 Where the Company finds it necessary to reduce its registered capital, it must prepare a balance sheet and property list.

The Company shall, within 10 days after the resolution of reducing its registered capital is adopted, notify the creditors and make a public announcement in newspaper within 30 days. The creditors shall, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if they fail to receive the notice, be entitled to demand the Company to pay off the debts or to provide respective guarantees.

After reduction of the registered capital, the amount of the Company's registered capital shall not be less than the statutory minimum.

Article 182 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall be deregistered in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

In the case of increasing or reducing its registered capital, the Company shall go through changes of registration with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 183 The Company shall be dissolved under any of the following circumstances:

- (1) the term of business operation expires as specified by these Articles of Association or other matters leading to dissolution occur as specified by these Articles of Association;
- (2) the general meeting resolves to dissolve the Company;
- (3) dissolution is necessary as a result of the merger or division of the Company;
- (4) the Company's business license is revoked or it is ordered to close down or it is deregistered according to laws;
- (5) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights of the Company may petition a people's court to dissolve the Company.

Article 184 Where any of the circumstances as prescribed in Article 183 (1) of these Articles of Association occurs, the Company may continue to exist by amending these Articles of Association.

The amendment to these Articles of Association pursuant to the previous paragraph shall be passed by shareholders representing no less than two-thirds of voting rights held by all shareholders present at the general meeting.

Article 185 Where the Company is dissolved according to the provisions of sub-paragraphs (1), (2), (4) and (5) of Article 183 of these Articles of Association, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be determined by directors or the general meeting. If the Company fails to establish the liquidation committee and carry out the liquidation within the time limit, its creditors may petition a people's court to designate relevant persons to form a liquidation committee and carry out the liquidation.

Article 186 The liquidation committee may exercise the following functions during the process of liquidation:

- (1) to liquidate the properties of the Company and prepare a balance sheet and a property list;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business in relation to the liquidation;
- (4) to pay off the outstanding taxes and the taxes incurred in the process of liquidation;
- (5) to claim credits and pay off debts;
- (6) to dispose of the remaining properties after all the debts being paid off;
- (7) to represent the Company in any civil proceedings.

Article 187 The liquidation committee shall notify the creditors within ten days of its establishment, and make an announcement in newspaper within sixty days of its establishment. Creditors shall declare their claims to the liquidation committee within thirty days from the date of receipt of the written notice or, if they did not receive a written notice, within forty-five days from the date of the announcement.

When declaring their claims, creditors shall explain the particulars relevant to their claims and submit supporting documentation. The liquidation committee shall register the claims.

During the period of declaration of claims, the liquidation committee shall not repay the debts to creditors.

Article 188 After the liquidation committee has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts, shall be distributed by the Company to the shareholders in proportion to the shares they hold.

During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

Article 189 If the liquidation committee, having liquidated the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the people's court for a declaration of bankruptcy in accordance with the law.

After the people's court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the people's court.

Article 190 Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit the same to the general meeting or the people's court for confirmation, and submit the aforementioned documents to the company registration authority to apply for company deregistration, and announce the Company's termination.

Article 191 The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation in accordance with the law.

None of the members of the liquidation committee may take advantage of his/her position to take any bribe or any other illegal income, nor may he/she misappropriate any of the properties of the Company.

Where any member of the liquidation committee causes any loss to the Company or any creditor due to deliberate acts or gross negligence, he/she shall be liable for compensation.

Article 192 Where the Company is declared bankrupt in accordance with the law, it shall carry out a bankruptcy liquidation according to the laws and regulations concerning bankruptcy of enterprises.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 193 In any of the following circumstances, the Company shall amend the Articles of Association:

- (1) after Company Law or relevant laws and administrative regulations have been amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws and administrative regulations;
- (2) the circumstances of the Company have changed, which are inconsistent with the matters recorded in the Articles of Association;
- (3) a general meeting decides to amend the Articles of Association.

Article 194 Amendments to the Articles of Association approved by a resolution of the shareholders' general meeting which are subject to approval from relevant competent authority shall be submitted to the competent authority for approval. If an amendment to the Articles of Association involves registered particulars of the Company, registration of the change shall be carried out in accordance with the law.

Article 195 The board of directors shall amend these Articles of Association in accordance with the resolution of the shareholders' general meeting regarding amendments to the Articles of Association and the comments of the relevant competent authorities.

Article 196 Where amendments to the Articles of Association are required to be disclosed by laws and regulations, the Company shall make public announcement in accordance with the provisions.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 197 Definitions

- (1) “Controlling shareholder” refers to a shareholder who holds more than 50% of the total share capital of the Company or who holds less than 50% of the total share capital but holds voting rights sufficient to have a material impact on resolutions of the shareholders’ general meeting.
- (2) “De facto controller” refers to anyone who is not a shareholder of the Company but is able to hold actual control of the acts of the Company by means of investment relations, agreements or any other arrangements.
- (3) “Related/connected relationship” refers to the relationship between the controlling shareholders, de facto controllers, directors, supervisors, or senior management personnel of the Company and the enterprise directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, the enterprises controlled by the state do not incur a related relationship simply because their shares are controlled by the state. If there are other provisions on connected relationship in the Hong Kong Listing Rules, such provisions shall prevail.

Article 198 The board of directors may formulate detailed rules for the Articles of Association in accordance with the provisions hereof, but the detailed rules for the Articles of Association shall not conflict with the provisions hereof.

Article 199 The Articles of Association are written in Chinese. In case of any discrepancy between the Articles of Association in any other languages or in different versions, the Chinese version of the Articles of Association after the latest approval and registration with Shenyang Administration for Market Regulation shall prevail.

Article 200 In these Articles of Association, the terms “or more”, “within” and “below” include the given figure; the terms “more than”, “over” and “less than” do not include the given figure.

Article 201 The board of directors of the Company shall be responsible for the interpretation of these Articles of Association.

Article 202 The appendix to these Articles of Association includes the rules of procedures of shareholders’ general meetings, the rules of procedures of the board of directors and the rules of procedures of the board of supervisors.

Article 203 These Articles of Association shall take effect from the date on which the H shares publicly offered by the Company are listed and traded on the Main Board of the Hong Kong Stock Exchange. The original articles of association of the Company shall automatically become invalid from the date of entry into force of these Articles of Association.

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