

This Appendix contains a summary of the principal provisions of the Articles of Association, which was adopted on 19 January 2024 and will become effective on the date of Listing of the H Shares on the Stock Exchange. As the principal objective of this Appendix is to provide potential investors with an overview of the Articles of Association, it may not contain all the information that is important to potential investors. The full text of the Articles of Association in Chinese is available for inspection, as discussed in the Appendix to the document entitled “Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display.”

I. DIRECTORS AND THE BOARD

(I) Composition of the Board

The Company shall have a Board which comprises nine Directors including one chairperson. The Directors shall be elected at the shareholders’ meeting for a term of three years. Upon expiry of the term, a Director shall be eligible for re-election.

The Company shall have at least three independent non-executive Directors, and not less than one-third of the total number of Directors. Except as otherwise provided by this section, the provisions relating to the qualifications and obligations of Directors in the Articles of Association shall apply to independent non-executive Directors. At least one independent non-executive Director of the Company shall be an accounting professional. Independent non-executive Directors shall have sufficient business or professional experience for competency, to perform their duties honestly and faithfully, safeguard the Company’s interest and in particular, preventing encroachment of the legitimate rights and interests of public shareholders, so as to ensure the sufficient representation of the interests of all Shareholders. At least one independent non-executive Director shall reside in Hong Kong on a regular basis.

(II) Directors’ Qualifications and Duties

1. Directors’ Qualifications

A Director, Supervisor, president or other officers of the Company shall cease to act as such if any of the following circumstances applies:

- (1) a person has no capacity for civil conduct, or has limited capacity for civil conduct;
- (2) a person has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political

rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation and less than two years have elapsed since the date of the completion of the probation period if probation is announced;

- (3) a person acts as a Director, or factory head or manager who assumes individual responsibility for the bankruptcy or liquidation of such company or enterprise where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (4) a person is the legal representative of a company or enterprise that had its business license revoked and was ordered to be closed for violation of the laws, and assumes personal responsibility, where three years have not lapsed following the date of revocation of the business license;
- (5) a person has been listed as a defaulter by a people's court since he is personally liable for a substantial loan which is due for payment but remains unpaid;
- (6) a person is under criminal investigation or prosecution by judicial organisation for violation of the criminal law which is not yet concluded;
- (7) a person is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a person is a non-natural person;
- (9) a person is convicted of the contravention of provisions of relevant securities regulations by competent authorities, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where five years have not lapsed following the date of the conviction;
- (10) the circumstances specified by the laws, administrative regulations, the listing rules or relevant laws and regulations of the place where the shares of the Company are listed.

Any election, appointment or employment by the Company of any Directors, Supervisors or officers in violation of the preceding provision shall be invalid.

2. *Directors' Duties*

Each of the Director, Supervisor, manager and other officers of the Company shall exercise his/her powers or carry on his/her duties in accordance with the principle of fiduciary and shall not put himself/herself in a position where his/her duty and his/her interest may conflict.

This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his/her powers and not to exceed those powers;
- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders' meeting, not to delegate the exercise of his/her discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association of the Company or with the informed consent of shareholders' meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders' meeting, not to use the Company's property for his/her own benefit;
- (7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;
- (8) without the informed consent of shareholders' meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association of the Company, faithfully execute his/her official duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;
- (10) not to compete with the Company in any form unless with the informed consent of shareholders' meeting;
- (11) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;

(12) unless otherwise permitted with the informed consent of shareholders' meeting, to keep in confidence information acquired by him/her in the course of and during his/her tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:

- 1) disclosure is made under compulsion of laws;
- 2) the interests of the public require disclosure;
- 3) the interests of the relevant Director, Supervisor, president and other officers require disclosure.

(13) to provide relevant true information and materials to the Supervisory Committee and not to interfere with the duties and powers exercised by the Supervisory Committee or Supervisors.

The Company shall not directly or indirectly make a loan to, or provide any loan guarantees in connection with, the making of a loan to a Director, Supervisor, president and other officers of the Company or of the Company's controlling shareholder(s) or any of their respective associates.

The preceding provision shall not apply to the following circumstances:

- (I) the provision by the Company of a loan or a loan guarantee of a loan to a company which is a subsidiary of the Company;
- (II) the provision by the Company of a loan or a loan guarantee in connection with the making of a loan or any other funds to any of its Director, Supervisor, president and other officers to meet expenditure incurred or to be incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the shareholders' meeting;
- (III) the provision of a loan or a loan guarantee by another person to any of its Director, Supervisor, president and other officers or respective associates by the Company in the ordinary course of its business on normal commercial terms, where the ordinary course of business of the Company includes providing loans and providing loan guarantees.

A loan made by the Company in breach of the preceding provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

A loan guarantee provided by the Company in breach of the preceding provisions shall be unenforceable against the Company, unless:

1. the loan was provided to an associate of the Directors, Supervisors, president and other officers of the Company or of its parent where the lender did not know the relevant circumstances;
2. the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

(III) Duty of the Board

The Board shall be responsible to the shareholders' meeting and shall exercise the following duties:

1. to be responsible for the convening of the shareholders' meeting and to report on its work to the shareholders' meeting;
2. to implement the resolutions of shareholders' meetings;
3. to determine operation plans and investment plans of the Company;
4. to formulate annual preliminary and final financial budgets of the Company;
5. to formulate the profit distribution plans and plans for recovery of losses of the Company;
6. to formulate proposals of the Company regarding increase or reduction of the registered capital and issuance of bonds of the Company;
7. to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division, dissolution or transformation of the Company;
8. to decide on matters relating to the Company's external investment, acquisitions or disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, related party transactions and external donations as authorized by shareholders' meetings;
9. to decide on the establishment of the Company's internal management structure;

10. to appoint or dismiss the Company's manager, and pursuant to the manager's nominations to appoint or dismiss the deputy manager and other officers of the Company (including financial controller) and decide their remunerations;
11. to formulate the basic management system of the Company;
12. to formulate proposals for any amendments to the Articles of Association of the Company;
13. to manage the disclosure of information of the Company;
14. to propose to shareholders' meetings the appointment or change of the accounting firm acting as the auditor of the Company;
15. to hear the work report of the Company's manager and to review the work of the manager;
16. other powers and functions conferred by the Articles of Association of the Company.

For the above matters, except for items 6, 7, 12 which shall be approved by voting of more than two-thirds of the Directors, others may be approved by voting by over one half of the Directors. The Board shall perform its duties in accordance with the state's laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, these Articles of Association and resolutions of the shareholders' meeting.

(IV) The Procedural Rules of the Board

The board meeting comprises regular meetings and extraordinary meetings. The board meetings shall be held at least 4 times per year, and shall be convened by the Chairperson of the Board. The notice of a regular board meeting shall be given at least 14 days before the meeting, while the notice of an extraordinary meeting shall be given at least 5 days before the meeting. The time limit for notice of the above extraordinary meetings may be waived with the consent of each of the Directors of the Company. When the situation is urgent and an extraordinary board meeting needs to be convened as soon as possible, the notice may be given by telephone or other verbal methods. at any time, but it is necessary for the convener to give explanations at the meeting.

In case of any of the following circumstances, an extraordinary board meeting may be convened:

- (I) when the shareholders representing over one-tenth of the voting power put forward a proposal;

- (II) when over one-third of the Directors put forward a proposal;
- (III) when the Supervisory Committee puts forward a proposal;
- (IV) when the Chairperson of the Board thinks it necessary;
- (V) when over one-second independent non-executive Directors put forward a proposal;
- (VI) when the president puts forward a proposal;
- (VII) other circumstances stipulated by laws, regulations, rules and the Articles of Association of the Company.

The board meeting may not be held unless not less than half of the Directors (including proxies) are present.

Each Director shall have one vote. Unless otherwise required by laws, administrative regulations and these Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.

II. SHAREHOLDERS AND SHAREHOLDERS' MEETING

(I) Shareholders

Shareholders shall enjoy the rights and have the obligations according to the class and number of shares held by them. Shareholders holding shares of the same class shall enjoy equal rights and have the same obligations.

The ordinary shareholders of the Company shall be entitled to the following rights:

1. the right to dividends and other distributions in proportion to the number of shares held;
2. the right to legally request, convene, preside over, attend or appoint shareholder's proxy to attend the shareholders' meeting and to exercise the corresponding voting rights;
3. the right to supervise and manage the business operation activities of the Company and to put forward proposals and raise inquiries;
4. the right to transfer, bestow or pledge the shares they hold according to the laws, administrative regulations and the Articles of Association of the Company;

5. the right to obtain relevant information in accordance with the provisions of the Articles of Association of the Company, including:
 - (1) the right to obtain a copy of the Articles of Association of the Company, subject to payment of the cost of such copy;
 - (2) the right to inspect and make copies, subject to payment of a reasonable charge:
 - 1) all parts of the register of shareholders;
 - 2) personal particulars of each of the Company's Directors, Supervisors, managers and other officers, including:
 - ① present forename and surname and any former forename or surname and any aliases;
 - ② principal address (residence);
 - ③ nationality;
 - ④ full-time and all other part-time occupations and duties;
 - ⑤ identification document and its number;
 - 3) the status of the Company's share capital;
 - 4) the latest audited financial statement, the report of the Board, the report of auditors, and the report of the Supervisory Committee of the Company;
 - 5) special resolutions of the Company;
 - 6) reports showing the aggregate par value, quantity, highest and lowest prices in respect of each class of shares repurchased by the Company since the last accounting year, and the aggregate amount paid by the Company for this purpose;
 - 7) a copy of the annual inspection report that has been filed with the administration of industry and commerce or other competent authorities in China; and
 - 8) minutes of shareholders' meetings.

6. in the event of termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;
7. the shareholders who disagree with the resolutions in respect of the merger or division of the Company adopted at a shareholders' meeting are entitled to ask the Company to acquire their shares;
8. other rights conferred by laws, administrative regulations, departmental rules and Articles of Association of the Company.

The ordinary shareholders of the Company shall have the following obligations:

1. to abide by the Articles of Association of the Company;
2. to contribute to the share capital according to the number of shares subscribed by them and the methods of capital contribution;
3. not to withdraw their contributed share capital save in such circumstances stipulated by the laws and regulations;
4. not to abuse shareholders' rights to harm the interests of the Company or other shareholders, and not to abuse the Company's independent status as a legal person and the shareholders' limited liability to harm the interests of the creditors of the Company;

Where shareholders of the Company abuse shareholders' rights, causing loss to the Company or other shareholders, such shareholders shall be liable for compensation in accordance with the laws.

Where shareholders of the Company abuse the Company's independent status as a legal person and the shareholders' limited liability to evade from debts, resulting in a material damage to the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts of the Company.

5. other obligations to be assumed as stipulated by the laws, administrative regulations and these Articles of Association.

The controlling shareholders and the de facto controllers of the Company shall not take advantage of their related relationship to harm the interests of the Company. If they have violated provisions and caused loss to the Company, they shall be liable for compensation.

The controlling shareholders and the de facto controllers of the Company shall have fiduciary duties towards the Company and the public shareholders of the Company. The controlling shareholder shall exercise the rights as a subscriber in strict compliance with the laws and shall not impair the legitimate interests of the Company and the public shareholders of the Company by taking advantage of profit distributions, asset reorganizations, external investments, possession of funds, loan guarantees and other means, and shall not impair the interests of the Company and the public shareholders of the Company by using its controlling status in the Company.

(II) Shareholders' Meeting

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

1. to decide the Company's operational policies and investment plans;
2. to elect and replace Directors and decide on matters relating to their remuneration;
3. to elect and replace Supervisors who are appointed from the shareholders' representatives and decide on matters relating to their remuneration;
4. to consider and approve the reports of the Board;
5. to consider and approve the reports of the Supervisory Committee;
6. to consider and approve proposals on the annual preliminary and final financial budgets of the Company;
7. to consider and approve the profit distribution plans and plans for recovery of losses of the Company;
8. to decide on the increase or reduction of the Company's registered capital;
9. to decide on the issuance of bonds by the Company;
10. to decide on the merger, division, dissolution, liquidation or transformation of the Company;
11. to decide on the issuance of bonds by the Company;

12. to decide on the appointment, dismissal and non-reappointment of the accounting firms of the Company;
13. to amend the Articles of Association of the Company;
14. to consider and approve matters relating to guarantees specified in Article 60 of these Articles of Association;
15. to consider the motions raised by shareholders who represent more than 1% (inclusive) of the total number of voting shares of the Company;
16. to consider and approve matters relating to the purchases and disposals of material assets or provision of guarantee by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;
17. to consider the share incentive scheme and employee stock ownership plan;
18. to consider other matters as required by laws, administrative regulations, departmental rules or these Articles of Association to be determined at the shareholders' meeting.

The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be resolved by the shareholders' meeting.

Shareholders' meetings are divided into annual meetings and extraordinary meetings. Shareholders' meetings are convened by the Board, and the annual meeting is held once a year and shall be held within six months after the end of the preceding accounting year.

The Board shall convene an extraordinary meeting within two months in any one of the following circumstances:

1. when the number of Directors is less than the number required by the Company Law or less than two-thirds of the number prescribed in the Articles of Association of the Company;
2. when the unrecovered losses of the Company reach one-third of the total amount of its paid-up share capital;
3. when Shareholders who individually or jointly hold more than 10% (inclusive) of the Company's issued voting shares make request(s) in writing for the convening of an extraordinary meeting;

4. when the Board considers it necessary or the Supervisory Committee proposes to convene such a meeting;
5. other circumstances as required by laws, administrative regulations, departmental rules or the Articles of Association of the Company.

(III) Rules of Procedure of the Shareholders' Meeting

1. Convening of the Shareholders' Meeting

Shareholders' meetings shall be convened by the Board. If the Board is unable to or fails to perform its duty of convening the shareholders' meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner; if the Supervisory Committee cannot convene such meeting, shareholders individually or jointly holding over 10% of the Company's shares for more than 90 consecutive days may convene and preside over such meeting on their own.

Shareholders individually or jointly holding over 10% of the Company's shares have the right to make a request to the Board for convening an extraordinary meeting and such request shall be made to the Board in writing. The Board shall give a written reply on whether or not it agrees to convene such extraordinary meeting within 10 days after receiving the request in accordance with the requirements under the laws, administrative regulations and these Articles of Association.

If the Board agrees to convene the extraordinary meeting, a notice to convene the shareholders' meeting shall be issued within 5 days after the adoption of the resolution of the Board, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board disagrees to convene the extraordinary meeting or fails to give a reply within 10 days after receiving the request, Shareholders individually or jointly holding over 10% of the Company's shares shall have the right to propose to the Supervisory Committee to convene the extraordinary meeting and such proposal shall be made to the Supervisory Committee in writing.

The Supervisory Committee is entitled to propose to the Board to convene an extraordinary meeting and such proposal shall be made in writing to the Board. The Board shall give a written reply on whether or not it agrees to convene such extraordinary meeting within 10 days after receiving the proposal in accordance with the requirements under the laws, regulations, normative documents and these Articles of Association.

If the Board agrees to convene the extraordinary meeting, a notice to convene the shareholders' meeting shall be issued within 5 days after the adoption of the resolution of the Board, and any change to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.

If the Board disagrees to convene the extraordinary meeting or fails to give a reply within 10 days after receiving the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the shareholders' meeting, and the Supervisory Committee may convene and preside over such meeting on their own.

If the shareholders' meeting is convened by the Supervisory Committee or shareholders on their own, a written notice shall be issued to the Board.

With regard to the shareholders' meeting convened by the Supervisory Committee or Shareholders by themselves, the Board shall cooperate. The Board shall provide the register of shareholders on the shareholding record date.

With regard to the shareholders' meeting convened by the Supervisory Committee or Shareholders by themselves, the necessary expenses of the meeting shall be assumed by the Company.

2. Proposals of the Shareholders' Meeting

When the Company convenes a shareholders' meeting, the Board, the Supervisory Committee and shareholders individually or jointly holding over 1% of the Company's shares are entitled to put forward a proposal to the Company.

Shareholders individually or jointly holding over 1% of the Company's shares can put forward a temporary proposal 10 days before convening the shareholders' meeting and submit the proposal in writing to the convener. The provisional proposals should have clear topics and specific resolutions. The convener shall issue a supplemental notice for the shareholders' meeting within 2 days upon receiving the proposal, inform other Shareholders and, if within the terms of reference of the shareholders' meeting, add such a proposal to the agenda thereof for consideration; however, interim proposal in violation of laws, administrative regulations or the Articles of Associations, or not within the terms of reference of the shareholders' meeting shall not be included. The Company shall not increase the shareholding of the shareholders putting forward such interim proposal.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not amend the proposals stated in the notice of the shareholders' meeting or add new proposals upon the issuance of the notice of the shareholders' meeting.

The shareholders' meeting shall not vote and resolve on proposals not stated in the notice of the shareholders' meeting or not in compliance with the requirements of these Articles of Association.

3. Notices of the Shareholders' Meeting

Notice of annual meetings shall be given to all shareholders by the convener 20 days before the meeting; notice of extraordinary meetings shall be given to all shareholders 15 days before the meeting. Where otherwise provided by laws, regulations and the securities regulatory authorities of the place where the Company is listed, such provisions shall apply.

Notices of shareholders' meetings to shareholders of overseas listed shares may be published through the designated websites of the Stock Exchange and the Company's website, and upon announcement, all shareholders of overseas listed shares shall be deemed to have received notice of the relevant shareholders' meeting.

Notice of the shareholders' meeting shall:

- (I) be given in writing;
- (II) specify the venue, date and duration of the meeting;
- (III) set out the matters to be discussed at the meeting;
- (IV) provide the shareholders with such information and explanation as necessary for them to make informed decisions in connection with the matters to be discussed; this principle shall include (but not be limited to) when proposals are made to merge the Company, to repurchase shares of the Company, to reorganize its share capital or to effect any other reorganization of the Company, the specific conditions and contracts (if any) of the proposed transaction shall be provided, and the causes and consequences of any such proposals shall also be properly explained;
- (V) disclose the nature and extent of the material interests, if any, of any Director, Supervisor, manager and other officer in the matters to be discussed; and provide an explanation of the differences, if any, between the way in which the matter to be

discussed will affect such Director, Supervisor, manager and other officer in his/her capacity as shareholders and the way in which such matter will affect other shareholders of the same class;

- (VI) contain the full text of any special resolution proposed to be passed at the meeting;
- (VII) contain a conspicuous statement that all shareholders are entitled to attend the shareholders' meeting, and the shareholder may appoint a proxy in writing to attend the meeting and vote, and that a proxy need not be a shareholder of the Company;
- (VIII) specify the time and place for lodging the power of attorney for the voting proxy for the meeting;
- (IX) specify the record date of equity of shareholders entitled to attend the shareholders' meeting;
- (X) specify the name and telephone number of the standing contact person of the meeting;
- (XI) specify the time and procedures for voting online or through other means.

4. Holding of the Shareholders' Meeting

Any shareholder who is entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (who may not be a shareholder) as his/her proxy to attend and vote on his/her behalf. A proxy so appointed can exercise the following rights pursuant to the authorization from such shareholder:

- (I) such shareholder's right to speak at the shareholders' meeting;
- (II) the right to demand a poll alone or jointly with others;
- (III) the right to vote by show of hands or on a poll; however, a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

If the shareholders' meeting is convened by the Board, the chairperson of the Board shall serve as the chairman of the meeting; if the chairperson of the Board is unable or fails to perform his/her duties for any reason, more than half of the Directors shall jointly elect a Director of the Company to serve as the chairman of the meeting; if the chairman of the meeting is not elected, the shareholders attending the meeting may elect a person to act as the chairman of the meeting; if

for any reason, shareholders are unable to elect the chairman, the shareholder (including shareholder proxies) attending the meeting holding the largest number of voting shares shall serve as the chairman of the meeting.

The shareholders' meeting convened by the Supervisory Committee shall be presided over by the chairperson of the Supervisory Committee. If the chairperson of the Supervisory Committee is unable or fails to perform his/her duties, a Supervisor shall be jointly elected by more than half of the Supervisors to preside over the meeting.

The shareholders' meeting convened by shareholders on their own shall be presided over by a representative elected by the conveners.

The shareholders' meeting shall have minutes, which shall be recorded by the Board secretary.

The minutes of the meeting shall specify:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the names of the chairman of the meeting, and the Directors, Supervisors, manager and other officers attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of the total number of shares of the Company;
- (IV) the process of discussion in respect of each proposal, highlights of speeches and the voting result;
- (V) details of inquiries or suggestions of the shareholders, and the corresponding response or explanations;
- (VI) the name of the counting officer and monitoring officer;
- (VII) other contents that shall be recorded in the minutes in accordance with these Articles of Association.

5. *Voting of the Shareholders' Meeting*

Resolutions of a shareholders' meeting are divided into ordinary resolutions and special resolutions.

For ordinary resolutions made at a shareholders' meeting, they shall be approved by more than half of the voting rights held by the shareholders (including the proxies) who attend the shareholders' meeting.

For special resolutions made at a shareholders' meeting, they shall be approved by more than two-thirds of the voting rights held by the shareholders (including the proxies) who attend the shareholders' meeting.

The following matters shall be approved by an ordinary resolution at a shareholders' meeting:

- (I) the work reports of the Board and the Supervisory Committee;
- (II) the profit distribution plans and plans for recovery of losses formulated by the Board;
- (III) removal of members of the Board and the Supervisory Committee (except for staff representative), and their remuneration and method of payment thereof;
- (IV) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (V) any matters other than those that shall be approved by special resolutions as required by the laws, the administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association of the Company.

The following matters shall be approved by an special resolution at a shareholders' meeting:

- (I) increase or decrease of the registered capital and issue of any class of shares, warrants and other similar securities of the Company;
- (II) issuance of bonds of the Company;
- (III) division, merger, dissolution, liquidation or transformation of the Company;
- (IV) amendments to the Articles of Association of the Company;

- (V) when the Company within one year purchases and disposes material assets or provides guarantees whose amount has exceeded 30% of the latest audited total assets of the Company;
- (VI) any other matters approved by ordinary resolution at a shareholders' meeting as having a material impact on the Company and are required to be approved by a special resolution;
- (VII) any matters other than those that shall be approved by special resolutions as required by the laws, the administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association of the Company.

Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the shareholders' meeting. When a poll is taken at a meeting, a shareholder (including his/her proxy) entitled to two or more votes need not cast all his/her votes in the same way.

Where any member is, under the Rules Governing the Listing of Securities on the Stock Exchange, required to abstain from voting on any particular resolution or restricted to vote only for or against any particular resolution, such shareholder should waive his/her voting right or abstain from voting in accordance with the provisions therein; any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted into the poll result.

The shares of the Company held by the Company do not carry voting rights and are excluded from the total number of voting shares present at the shareholders' meeting.

The voting right of the same shares shall be exercised only either by on-site voting or other means of voting. In case of multiple voting by the same shares, only the first vote will be deemed as valid.

III. SUPERVISORY COMMITTEE

The Company shall establish a Supervisory Committee. The Supervisory Committee shall comprise three Supervisors, including one chairman. Each term of office of a Supervisor is three years. The term of office of Supervisors shall be renewable upon reelection and reappointment.

The Supervisory Committee shall be accountable to the shareholders' meeting and shall exercise the following functions and powers in accordance with the laws:

1. to check the financial condition of the Company;
2. to supervise the Company's Directors, the managers and other officers to see whether they have violated any laws, administrative regulations or the Articles of Association of the Company in performing their duties, and to propose the removal of Directors and officers who have violated laws, administrative regulations, these Articles of Association or resolutions of shareholders' meeting;
3. when the acts of a Director, manager and other officers are detrimental to the Company's interests, to require him/her to correct such acts;
4. to verify financial information such as financial reports, business reports and profit distribution plans that the Board intent to submit to the shareholders' meeting and, if in doubt, a registered accountant or practicing auditor shall be appointed in the name of the Company to assist in reviewing such information;
5. to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the Board fails to perform the duty of convening and presiding over shareholders' meetings;
6. to negotiate with Directors on behalf of the Company or to initiate litigation against Directors, presidents, and other officers in accordance with the laws and these Articles of Association;
7. to conduct investigation if there is any unusual circumstance in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;
8. to exercise other powers authorised by shareholders' meetings.

IV. PRESIDENT

The Company shall have one president, who shall be appointed or removed by the Board.

The president of the Company shall report to the Board and have the following duties and powers:

1. to be in charge of the production, operation and management of the Company, and to organize and implement the resolutions adopted by the Board;

2. to organize and implement the annual business plans and investment plans of the Company;
3. to draft schemes for the establishment of the Company's internal management departments;
4. to draft the basic management systems of the Company;
5. to formulate the basic rules and regulations of the Company;
6. to make proposals regarding the appointment or removal of the vice president and other officers (including financial controller) of the Company;
7. to appoint or remove managerial officers other than those to be appointed or removed by the Board;
8. other duties and powers authorized by the Articles of Association of the Company and the Board.

V. BOARD SECRETARY

The Board secretary shall be a natural person with the necessary professional knowledge and experience and shall be appointed by the Board. Its principal responsibilities include:

1. ensure that the Company has complete organizational documents and records; keep and manage shareholders' data; assist the Directors in handling the daily work of the Board;
2. organize and make preparations for meetings of the Board and the shareholders' meeting, prepare documents for such meetings, make relevant arrangements for such meetings, take minutes of meetings and ensure the accuracy of such minutes, make and keep documents and minutes of such meetings, keep an eye on the implementation of relevant resolutions on his/her own initiative, report and make recommendations to the Board on any material issue arising in such implementation;
3. act as the liaison between the Company and the securities regulatory authorities, to be responsible for organizing the preparation and prompt submission of the reports and documents required by the regulatory authorities, and for accepting and organizing the implementation of any assignment from the regulatory authorities;

4. to be responsible for coordinating and organizing the Company's disclosure of information; establishing and improving the information disclosure system; participating in the Company's meetings involving the disclosure of information; and keeping informed of the Company's material operation decisions and related information in a timely manner;
5. ensure that the register of members of the Company is properly established, and ensure that the person that has the right to receive relevant records and documents from the Company will receive such records and documents timely;
6. exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by the laws, regulations and the stock exchanges on which the Company' shares are listed.

VI. CHANGES IN SHARES

The Company may approve capital increase based on the needs of operation and development and in accordance with the Articles of Association of the Company.

The Company may increase its capital by the following methods:

1. offering new shares for subscription to unspecified investors;
2. issuance of shares to specific recipients;
3. distribution of new shares to the existing shareholders;
4. other ways as permitted by laws and administrative regulations and approved by CSRC.

The Company's increase of capital by issuing new shares shall be conducted in accordance with the procedures provided in the relevant laws and administrative regulations of the state, after being approved according to the procedures provided in the Articles of Association of the Company.

Unless otherwise provided by laws or administrative regulations, the shares of the Company are transferable in accordance with the laws, without any lien.

In accordance with the provisions of the Articles of Association of the Company, the Company may reduce its registered capital. Where the Company reduces its registered capital, it shall be conducted in accordance with the Company Law and other relevant provisions as well as procedures stipulated in these Articles of Association.

The Company shall not repurchase its shares, except for one of the following circumstances:

1. to reduce the registered capital of the Company;
2. to merge with other companies which hold the shares of the Company;
3. to utilize its shares in the employee stock ownership plan or for equity incentive;
4. to acquire its shares at the request of its shareholders who vote in a shareholders' meeting against a resolution regarding a merger and division of the Company;
5. to utilize the shares for conversion of corporate bonds which are convertible into share certificates issued by the listed company;
6. where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders;
7. other circumstances permitted by laws, administrative regulations and regulatory authority.

Except for the above-mentioned circumstances, the Company may not trade its shares.

Shares issued prior to the public issuance of shares by the Company shall not be transferred within one year from the date the share certificates of the Company were listed on the stock exchange(s).

Directors, Supervisors and officers of the Company shall report to the Company their shareholdings (including the preference shares) and changes therein and shall not transfer more than 25% per year of the total number of the same class shares held by them during their terms of office. The shares held by them shall not be transferred within one year from the date the share certificates of the Company being listed and traded. The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service.

If any of the Company's shareholders, Directors, Supervisors or officers holding more than 5% of the total number of the Company's shares sells the Company's shares or other securities of an equity nature held by him/her within six months after he/she buys the same, or buys the Company's shares held by him/her within six months after he/she sells the same, the proceeds therefrom shall be owned by the Company and taken back by the Board. However, where a securities company holds more than five percent of the total number of the Company's shares as a result of purchase and underwriting of all the left-over shares and other circumstances stipulated by the securities regulatory authorities of the State Council shall be exempted.

The share certificates or other securities of an equity nature held by Directors, Supervisors, officers, and natural person shareholders referred to in the preceding paragraph include the share certificates or other securities of an equity nature held by their spouses, parents, children and those held by using others' accounts.

VII. APPOINTMENT OF ACCOUNTANTS

The Company shall retain an independent accounting firm that fulfills the requirements provided by the relevant regulations of China to audit the Company's annual financial report and review the Company's other financial reports. For the purposes of the Articles of Association, the accounting firm retained by the Company at any time shall be the Company's auditor.

The retaining of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual meeting of shareholders. The term of such accounting firm shall terminate upon the conclusion of the first annual meeting of shareholders.

Should the inauguration meeting not exercise the powers under the preceding paragraph, the Board shall exercise those powers.

The term of an accounting firm retained by the Company shall be one year, and may be renewed.

The accounting firm engaged by the Company shall have the following rights:

- (I) to inspect books, records and vouchers of the Company at any time, and to require the Directors, manager and other officers of the Company to provide relevant information and explanations;
- (II) to require the Company to take all reasonable steps to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;

(III) to attend any shareholders' meeting and to receive all notices of, and other communications relating to, any shareholders' meeting which any shareholder is entitled to receive, and to speak at any shareholders' meeting in relation to matters concerning its role as the Company's retained accounting firm.

Irrespective of the provisions in the contract concluded between the Company and the accounting firm, the shareholders' meeting may remove the accounting firm by an ordinary resolution before the term of any accounting firm expires. Notwithstanding such provisions, the accounting firm's entitlement to claim for damages arising out of its removal shall not be affected thereby.

The remuneration of an accounting firm or the manner in which such firm is to be compensated shall be decided by the shareholders' meeting.

The shareholders' meeting shall decide to retain, remove or discontinue the retention of an accounting firm.

In the event that a resolution at shareholders' meeting is passed to retain an accounting firm other than the incumbent accounting firm to fill any casual vacancy in the office of the accountant, or to remove an accounting firm prior to the expiration of its term, the following provisions shall apply:

- (I) the retaining or removal motion shall be sent (before a notice of shareholders' meeting is given) to the accounting firm that is proposed to be retained or to leave or the accounting firm which has left in the relevant accounting year (including any accounting firm leaving due to removal, resignation and retirement).
- (II) in the event that the accounting firm that is proposed to leave makes written representations and requests that the Company give notice to shareholders of such representations, the Company shall (unless the representations have been received too late) take the following measures: (1) in any aforementioned notice for making a resolution, the Company shall state the representations made by such accounting firm which is to leave; (2) to attach a copy of the representations to the notice and deliver it to every shareholder entitled to receive the notice in the manner as provided in the Articles of Association.
- (III) in the event that the Company fails to send the accounting firm's representations in the manner set out in paragraph (II) above, such accounting firm may (in addition to its right to be heard) make further appeal.

(IV) a leaving accounting firm has the right to attend the following meetings:

- (1) shareholders' meeting at which its term would otherwise have expired;
- (2) shareholders' meeting at which the said accounting firm is proposed to fill the vacancy caused by its removal;
- (3) shareholders' meeting which is convened as a result of the resignation of the said accounting firm.

The leaving accounting firm is entitled to receive all notices of, and other communications relating to any meeting referred to in paragraph (IV), and to speak at any such meeting which it attends on any matters with respect to its capacity as the former accounting firm of the Company.

Notice shall be given to the accounting firm 3 days in advance should the Company decide to remove such accounting firm or not to reappoint it. Such accounting firm shall be entitled to make representations at the shareholders' meeting. Where the accounting firm resigns from its position, it shall clarify to the shareholders at the shareholders' meeting on any irregularities on the part of the Company.

VIII. LIQUIDATION

The Company shall be dissolved and liquidated according to laws upon any of the following circumstances:

- (I) a special resolution on dissolution is passed at a shareholders' meeting;
- (II) dissolution is necessary due to a merger or division of the Company;
- (III) the Company's business license is revoked or it is ordered to close down or deregistered according to laws;
- (IV) the Company is ordered to be close down for violation of laws and administrative regulations in accordance with the laws;
- (V) where the Company suffers severe difficulties in its operation and management and its continued existence will bring heavy losses to the interest of shareholders, and provided that such difficulties cannot be resolved otherwise, the shareholders holding not less than 10% of all shareholders' voting rights in the Company may apply to the People's Court for dissolution of the Company;

(VI) where the Company is adjudged insolvent in accordance with the applicable laws as a result of its inability to pay its debts when due;

(VII) the term of business operation as prescribed in the Articles of Association expires or other matters as prescribed in the Articles of Association for dissolution occur.

When dissolution event in accordance with preceding paragraph occurred to the Company, the Company shall publicly announce the dissolution event on the National Enterprise Credit Information Publicity System within 10 days.

In the event of the situation set forth in paragraph (I) of Article 168 of the Articles of Association, and has yet to distribute its property to its shareholders, the Company may continue to exist by amending the Articles of Association or by a shareholders' meeting resolution.

Amendments to the Articles of Association in accordance with preceding paragraph or the approval of the shareholders' meeting resolution shall be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting.

Where the Company is dissolved pursuant to paragraph (I), (III), (V) and (VII) of Article 168 of these Articles of Association, a liquidation committee shall be set up within 15 days since dissolution events has occurred to start liquidation process. The liquidation committee shall be composed of personnels decided by an ordinary resolution at the shareholders' meeting. If no liquidation committee has been set up to conduct liquidation within the time limit, the creditors may request the People's Court to designate the relevant personnel to form a liquidation committee to carry out the liquidation.

Where the Company is dissolved pursuant to paragraph (I), (II), (IV), (VI) and (VII) of the preceding article, a liquidation committee comprising shareholders, the relevant competent authorities and relevant professionals shall be arranged by the relevant supervisory authority to carry out the liquidation.

Where the Company is dissolved pursuant to paragraph (I), (II), (VI) and (VII) of the preceding article, a liquidation committee comprising shareholders, the relevant authorities and relevant professionals shall be arranged by the People's Court in accordance with relevant laws to carry out the liquidation.

The liquidation committee shall, within ten days of its establishment, notify the creditors, and, within sixty days of its establishment, publish an announcement on newspapers or on the National Enterprise Credit Information Publicity System.

Creditors shall, within thirty days after receipt of the written notice, or for those who do not receive the notice, within forty-five days from the date of the announcements, declare their claims to the liquidation committee. In declaring claims, a creditor shall explain the relevant particulars of the claims with supporting materials. The liquidation committee shall register the creditor's claims in accordance with laws.

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

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

- (I) to go through the assets of the Company and prepare a balance sheet and an inventory of assets separately;
- (II) to inform or make an announcement to the creditors;
- (III) to deal with the Company's outstanding business in connection with the liquidation;
- (IV) to settle any taxes payable;
- (V) to go through the claims and debts;
- (VI) to handle the Company's assets remaining after the settlement of its debts;
- (VII) to participate in civil litigation on behalf of the Company.

The members of the liquidation committee shall be devoted to their duties and perform their liquidation obligations in accordance with laws.

The members of the liquidation committee shall not accept any bribes or other illegal income by making use of his/her functions and powers nor seize any assets of the Company.

Where a member of the liquidation committee causes losses to the Company or its creditors intentionally or through gross negligence, he or she shall be liable for compensation.

After going through the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same at the shareholders' meeting or to the relevant competent authorities for confirmation.

The Company's assets shall be distributed in accordance with the order stipulated by laws and regulations. If there is no applicable law, such distribution shall be carried out in accordance with a fair and reasonable order determined by the liquidation committee.

Any assets of the Company remaining after repayment of debts in accordance with the preceding provisions shall be distributed to the shareholders of the Company according to the class of shares and the proportion of shares held.

During the liquidation period, the Company shall continue to exist, but shall not commence any new business activities.

The assets of the Company shall not be distributed to the shareholders before the discharge is made as provided for in the previous paragraph.

If the Company is to be dissolved by liquidation, the liquidation committee, after going through the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for a declaration of insolvency.

After the Company is declared insolvency by a ruling of the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.

Upon conclusion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and statement of receipts and expenditures and financial records for the period of liquidation which shall, upon being audited by an accountant registered in the PRC, be submitted to the shareholders' meeting or to the relevant competent authorities for confirmation.

The liquidation committee shall, within thirty days of the date of confirmation by the shareholders' meeting or relevant competent authorities, submit the said documents to the Company registration department, and apply for the cancellation of registration of the Company and to make public announcement in respect of the termination of the Company.

IX. ESSENTIAL PROVISIONS OF THE COMPANY

(I) General Provisions

The Company shall be a perpetually existing company limited by shares.

The Articles of Association of the Company (including the future amendment to these Articles of Association) shall become a legally binding public document that regulates the organization and activities of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders, from the date on which they become effective.

According to the provisions of the Constitution of the Communist Party of China, the Company shall establish an organization of the Communist Party of China and carry out the activities of the Communist Party of China. The Company shall provide necessary conditions for the activities of the organization of the Party.

(II) Profit Distribution

The Company will annually give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy according to business situation and market environment. The Company shall distribute dividends in form of cash or share certificates.

When distributing each year's profits after taxation, the Company shall set aside 10% of its profits after taxation for the Company's statutory common reserve fund until the fund has reached more than 50% of the Company's registered capital.

When the Company's statutory common reserve fund is not sufficient to make up for the Company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund.

After the Company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its profits after taxation to the discretionary common reserve fund.

After the Company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

Profits distributed to shareholders by a resolution of a shareholders' meeting or the board of directors before losses have been made good and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the Company.

The Company shall not be entitled to any distribution of profits in respect of its own shares held by it.

The common reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its capital. Where the reserve funds are used to make up losses, the discretionary reserve funds and statutory reserve funds shall be used in priority; if not sufficient, the capital reserve funds may be used according to regulations.

Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the Company before such transfer.

(III) Financial and Accounting System

At the end of each accounting year, the Company shall prepare a financial report reviewed and certified in accordance with laws.

The Board shall place before the shareholders at each annual meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities-in-charge require the Company to prepare.

The financial reports of the Company shall be made available for inspection by shareholders twenty days prior to an annual meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this chapter.

The financial statements of the Company shall, in addition to being prepared in accordance with the accounting standards and regulations of the People's Republic of China, be prepared in accordance with either international accounting standards or such accounting standards in the place of listing overseas. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be given in the financial statements. When the Company distributes its profits after taxation for that accounting year, the lower of the profits after taxation as shown in (i) the financial statement prepared in accordance with the accounting standards and regulation of the People's Republic of China, or (ii) the international accounting standards or such accounting standards in the place of listing overseas, shall be adopted.

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the accounting standards and regulations of the People's Republic of China as well as the international accounting standards or such accounting standards in the place of listing overseas.

The Company shall publish its financial statements twice every accounting year, that is, the interim financial report shall be published within sixty days after the expiration of the first six months of each accounting year and the annual financial report shall be published within one hundred and twenty days after the expiration of each accounting year.

If the securities regulatory authorities of the place where the Company's shares are listed or listing rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The Company may not establish any account books other than statutory account books. No accounts shall be opened in the name of any individual for deposit of the assets of the Company.

(IV) Financial Assistance for Acquisition of Shares of the Company

The Company or its subsidiaries (including affiliates) shall not provide any assistance to persons who purchase or intend to purchase the shares of the Company, in the form of gift, advance, guarantee, compensation or loan.