

PegBio Co., Ltd.

Articles of Association

CONTENTS

CHAPTER 1 GENERAL PROVISIONS	1
CHAPTER 2 BUSINESS OBJECTIVES AND BUSINESS SCOPE	2
CHAPTER 3 SHARES	2
Section 1 Issuance of Shares	2
Section 2 Increase, Reduction and Repurchase of Shares	8
Section 3 Transfer of Shares	9
CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING	11
Section 1 Shareholders	11
Section 2 General Provisions for the General Meeting	16
Section 3 Convening of the General Meetings	19
Section 4 Proposals and Notices of the General Meetings	21
Section 5 Holding of the General Meetings	23
Section 6 Voting and Resolutions at the General Meeting	27
CHAPTER 5 BOARD OF DIRECTORS	32
Section 1 Directors	32
Section 2 Board of Directors	37
Section 3 Special Committees under the Board of Directors	43
CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS	45
CHAPTER 7 SUPERVISORY COMMITTEE	47
Section 1 Supervisors	47
Section 2 Supervisory Committee	48
CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT	50
Section 1 Financial and Accounting System	50
Section 2 Internal Audit	55
Section 3 Engagement of Accounting Firms	55
CHAPTER 9 NOTICE AND ANNOUNCEMENT	56
Section 1 Notice	56
Section 2 Announcement	57
CHAPTER 10 MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION	57
Section 1 Merger, Division, Increase and Decrease of Capital	57
Section 2 Dissolution and Liquidation	60
CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION	63
CHAPTER 12 SUPPLEMENTARY PROVISIONS	64

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to meet the needs of establishing a modern enterprise system, regulate the organization and activities of PegBio Co., Ltd. (hereinafter referred to as the “Company”) and safeguard the legitimate rights and interests of the Company, its shareholders, employees and creditors, the Articles of Association are formulated based on the actual conditions of the Company and in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (中華人民共和國證券法) (hereinafter referred to as the “Securities Law”), the Guidelines on the Articles of Association of Listed Companies, 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) (hereinafter referred to as the “Trial Administrative Measures”), 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 laws, regulations, departmental rules, regulatory documents and relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed.

Article 2 The Company is a joint stock company with limited liability incorporated under the Company Law and relevant provisions of other laws, regulations and regulatory documents.

The Company was established by means of promotion of an overall reform of its predecessor 派格生物醫藥(蘇州)有限公司 in accordance with the law. The Company was registered with the Administration for Market Regulation of Zhejiang Province (浙江省市場監督管理局) and obtained a business license with a unified social credit code of 91320594674879728Q.

Article 3 The Company has completed the filing with the China Securities Regulatory Commission (the “CSRC”) on July 25, 2024, and listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on May 27, 2025.

Article 4 The registered Company name (in Chinese): 派格生物醫藥(杭州)股份有限公司, name in English: PegBio Co., Ltd.

Article 5 Domicile of the Company: Room 606, Building 1, Haozhang Tower, No. 520 Shaoxing Road, Gongshu District, Hangzhou, postal code: 310015.

Article 6 The registered capital of the Company is RMB385,955,532.

Article 7 The Company is a joint stock company with limited liability with perpetual existence.

Article 8 The general manager of the Company shall be its legal representative.

If the general manager resigns, he/she is deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall determine a new legal representative within 30 days following the date of the legal representative’s resignation.

Article 9 All assets of the Company shall be divided into equal shares. Shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire properties.

Article 10 The Articles of Association shall become a legally binding document governing the organization and conduct of the Company, and the rights and obligations between the Company and its shareholders and among shareholders since its effective date, and shall constitute a legally binding document governing on the Company, its shareholders, directors, supervisors, senior management members. According to the Articles of Association, shareholders may sue other shareholders, directors, supervisors, the general manager and other senior management members of the Company and the Company. The Company may sue shareholders, directors, supervisors, the general manager and other senior management members.

Article 11 Other senior management members referred to in the Articles of Association represent the Company's deputy general managers (appointed according to the needs of the Company), chief financial officer, secretary to the board of directors and other senior management members appointed by the board of directors.

Article 12 The Company shall establish an organization of the Communist Party of China to carry out the activities of the Communist Party of China in accordance with the Constitution of the Communist Party of China. The Company shall provide necessary conditions for the activities of the organization of the Communist Party of China.

CHAPTER 2 BUSINESS OBJECTIVES AND BUSINESS SCOPE

Article 13 The business objectives of the Company are: to enhance operation and management standards, maximize economic benefits and create satisfactory economic returns for all shareholders by operating in the organizational form of joint stock company with limited liability.

Article 14 The Company's business scope registered according to law is: permitted items: production of pharmaceuticals; wholesale of pharmaceuticals. (For items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by the relevant authorities, and specific business items shall be subject to the approval documents or licenses from the relevant authorities). General items: R&D of technology for bio-chemical products; technical services, technology development, technology consulting, technology exchanges, technology transfer, technology promotion; sales of Class I medical devices; medical research and experimental development (except for human stem cells, gene diagnosis and therapy technology development and application); environmental consulting services. (Except for items subject to approval in accordance with the laws, operating activities can be conducted independently with business licenses in accordance with the laws).

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 15 The capital of the Company shall be divided into shares, and the shares of the Company shall be in the form of share certificates. The share certificates of the Company shall be in registered form. In addition to the information required by the Company Law, the information to be set out in the share certificates of the Company shall also include other information required by the stock exchange where the shares of the Company are listed.

Article 16 The Company shall issue shares under the open, fair and just principles, and each share of the same class shall carry the same rights.

Share certificates of the same class issued at the same time shall have the same conditions and the same price; the subscribers shall pay the same amount for each of the shares they subscribed for.

Article 17 All the shares issued by the Company shall be denominated in RMB, and the par value of each share shall be the same.

Article 18 As for the shares issued by the Company, the registration and settlement for overseas listed shares are governed by the regulatory rules of the overseas place where the shares of the Company are listed; the domestic unlisted shares are centrally deposited with China Securities Depository and Clearing Corporation Limited.

Article 19 The shareholders holding the domestic unlisted shares of the Company who apply for the conversion of the domestic unlisted shares into overseas listed shares for listing and circulation on the Hong Kong Stock Exchange shall comply with the relevant provisions of the CSRC and entrust the Company to file with the CSRC. It is not required to convene a general meeting to vote on the shareholders' application for the conversion of their domestic unlisted shares into overseas listed shares for listing and circulation on the Hong Kong Stock Exchange.

Overseas listed shares referred to in the preceding paragraph are overseas listed shares issued by the Company to overseas investors, to be subscribed in a foreign currency and to be listed overseas (hereinafter referred to as the "H Shares" or "overseas listed shares"). Domestic unlisted shares referred to in the preceding paragraph are shares issued by the Company, but are not listed on domestic or foreign trading venues for trading.

Article 20 At the establishment of the Company, the name of each promoter and the number of shares subscribed for, method of capital contribution and time of capital contribution are set out in the table below:

No.	Name of promoter	Percentage of capital contribution	Number of shares subscribed for (share)	Method of capital contribution	Time of capital contribution
1.	Michael MIN XU	16.38%	58,081,874	Net assets	Before December 24, 2020
2.	ZHOU Xiangjun	1.77%	6,268,463	Net assets	Before December 24, 2020
3.	Asia Private Equity Capital	1.07%	3,780,075	Net assets	Before December 24, 2020
4.	Chelmsford International Limited	2.02%	7,151,567	Net assets	Before December 24, 2020
5.	Lin BAI (白林)	1.92%	6,810,871	Net assets	Before December 24, 2020
6.	Yuhong XU (徐宇虹)	1.92%	6,810,871	Net assets	Before December 24, 2020
7.	Mingly China Growth Fund, L.P.	9.83%	34,852,074	Net assets	Before December 24, 2020
8.	TRUE WING LIMITED	4.37%	15,482,756	Net assets	Before December 24, 2020
9.	Kaifeng Venture Capital Co., Ltd. (凱風創業投資有限公司)	3.61%	12,805,764	Net assets	Before December 24, 2020
10.	Share Link Capital Co., Ltd.	2.75%	9,752,279	Net assets	Before December 24, 2020
11.	SIP Sungen BioVenture Capital Investment Partnership (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥))	3.20%	11,339,959	Net assets	Before December 24, 2020
12.	NICE CREDIT LIMITED	4.10%	14,541,239	Net assets	Before December 24, 2020

13.	SIP Sungen Venture Capital Investment Partnership II (Limited Partnership) (蘇州工業園區新建元二期創業投資企業(有限合夥))	0.90%	3,201,273	Net assets	Before December 24, 2020
14.	Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資基金(有限合夥))	2.34%	8,290,415	Net assets	Before December 24, 2020
15.	Shihezi Xinyue Equity Investment Enterprise (Limited Partnership) (石河子市鑫悅股權投資合夥企業(有限合夥))	0.90%	3,201,273	Net assets	Before December 24, 2020
16.	Suzhou KF Pegbio Venture Capital Partnership (Limited Partnership) (蘇州凱風派格創業投資合夥企業(有限合夥))	0.68%	2,400,957	Net assets	Before December 24, 2020
17.	YuanBio Venture Capital L.P.	0.88%	3,113,437	Net assets	Before December 24, 2020
18.	Suzhou Jinmao Enterprise Management Consulting Co., Ltd. (蘇州錦茂企業管理諮詢有限公司)	0.23%	800,317	Net assets	Before December 24, 2020
19.	Tasly (Hong Kong) Pharmaceuticals Limited	3.59%	12,740,586	Net assets	Before December 24, 2020
20.	Beijing Agile Way Consulting Co., Ltd. (北京敏捷之道諮詢有限公司)	1.20%	4,246,946	Net assets	Before December 24, 2020
21.	CONNECTED TRIUMPH LIMITED	0.24%	849,289	Net assets	Before December 24, 2020
22.	Hongkong Tigermed Co., Limited	1.20%	4,247,204	Net assets	Before December 24, 2020
23.	Shanghai Sujie Business Management Consulting Partnership (Limited Partnership) (上海蘇頤企業管理諮詢合夥企業(有限合夥))	8.23%	29,175,230	Net assets	Before December 24, 2020
24.	Pingtian Yingke Shengxin Venture Capital Partnership (Limited Partnership) (平潭盈科盛鑫創業投資合夥企業(有限合夥))	2.39%	8,468,396	Net assets	Before December 24, 2020

25.	Pingtian Puxin Yingke Ruiyuan Venture Capital Partnership (Limited Partnership) (平潭浦信盈科睿遠創業 投資合夥企業(有限合夥))	1.26%	4,455,203	Net assets	Before December 24, 2020
26.	Suzhou Yipu II Equity Investment Partnership (Limited Partnership) (蘇州翼樸二號股權投資 合夥企業(有限合夥))	1.37%	4,839,104	Net assets	Before December 24, 2020
27.	Xi'an Taiming Equity Investment Partnership (Limited Partnership) (西安泰明股權投資 合夥企業(有限合夥))	0.57%	2,035,657	Net assets	Before December 24, 2020
28.	Hangzhou Tigermed Equity Investment Partnership (Limited Partnership) (杭州泰格股權投資合夥 企業(有限合夥))	1.44%	5,089,142	Net assets	Before December 24, 2020
29.	Shanghai Yaocui Investment Center (Limited Partnership) (上海曜萃投資中心(有限 合夥))	3.45%	12,213,941	Net assets	Before December 24, 2020
30.	Zibo Yingke Jiyun Venture Capital Partnership (Limited Partnership) (淄博盈科吉運創業投資 合夥企業(有限合夥))	1.15%	4,071,314	Net assets	Before December 24, 2020
31.	Pingtian Yuanbo Taikang Venture Capital Investment Partnership (Limited Partnership) (平潭苑博泰康創業投資 合夥企業(有限合夥))	0.29%	1,017,828	Net assets	Before December 24, 2020
32.	SIP Sungen Venture Capital Investment Partnership III (Limited Partnership) (蘇州工業園區新建元三期 創業投資企業(有限合夥))	0.75%	2,646,354	Net assets	Before December 24, 2020
33.	Zhongyuan Qianhai Equity Investment Fund (Limited Partnership) (中原前海股權投資基金 (有限合夥))	1.00%	3,562,399	Net assets	Before December 24, 2020

34.	Huaxin Securities Investment Co., Ltd. (華鑫證券投資有限公司)	0.57%	2,035,657	Net assets	Before December 24, 2020
35.	Suzhou Industrial Park Zhongxin Hengxiang Investment Center (Limited Partnership) (蘇州工業園區中鑫恒祥 投資中心(有限合夥))	0.43%	1,526,743	Net assets	Before December 24, 2020
36.	Suzhou Industrial Park Zhongxin Huiyuan Investment Center (Limited Partnership) (蘇州工業園區中鑫惠遠 投資中心(有限合夥))	3.30%	11,705,026	Net assets	Before December 24, 2020
37.	Suzhou Industrial Park Investment Fund L.P. (蘇州工業園區產業 投資基金(有限合夥))	1.44%	5,089,142	Net assets	Before December 24, 2020
38.	China-Singapore Suzhou Industrial Park Industrial Investment Co., Ltd. (中新蘇州工業園區 產業投資有限公司)	0.86%	3,053,485	Net assets	Before December 24, 2020
39.	Suzhou Lanhu Zhuopu Venture Investment Partnership (Limited Partnership) (蘇州嵐湖卓璞創業 投資合夥企業(有限合夥))	0.29%	1,017,828	Net assets	Before December 24, 2020
40.	Agricultural Bank II Wuxi Equity Investment Center (Limited Partnership) (農銀二號無錫股權 投資中心(有限合夥))	0.86%	3,053,485	Net assets	Before December 24, 2020
41.	Wuxi Guolian Guokang Health Industry Investment Center (Limited Partnership) (無錫國聯國康健康 產業投資中心(有限合夥))	0.86%	3,053,485	Net assets	Before December 24, 2020
42.	Huzhou Qiuyan Zhixin Equity Investment Partnership (Limited Partnership) (湖州啟緣致欣股權投資 合夥企業(有限合夥))	1.54%	5,452,433	Net assets	Before December 24, 2020

43.	Suzhou Ruihua Investment Partnership (Limited Partnership) (蘇州瑞華投資合夥企業(有限合夥))	0.57%	2,035,657	Net assets	Before December 24, 2020
44.	CCB Sci-Tech (Suzhou) Investment and Loan Linkage Equity Investment Fund (Limited Partnership) (建銀科創(蘇州)投貸聯動股權投資基金(有限合夥))	0.57%	2,035,657	Net assets	Before December 24, 2020
45.	Suzhou Yuankang Dingxiang Investment Management Partnership (Limited Partnership) (蘇州遠康鼎祥投資管理合夥企業(有限合夥))	0.43%	1,526,743	Net assets	Before December 24, 2020
46.	Shanghai Tongyuan Enterprise Consulting Management Center (Limited Partnership) (上海通元企業諮詢管理中心(有限合夥))	0.14%	508,914	Net assets	Before December 24, 2020
47.	Xi'an Jingsong Business Information Consulting Partnership (Limited Partnership) (西安景宋商務信息諮詢合夥企業(有限合夥))	0.43%	1,526,743	Net assets	Before December 24, 2020
48.	Gang LU (陸剛)	0.14%	508,914	Net assets	Before December 24, 2020
49.	Beijing Lehe Century Technology Co., Ltd. (北京樂和世紀科技有限公司)	0.57%	2,035,656	Net assets	Before December 24, 2020
Total		100.00%	354,509,625	–	–

Article 21 The total number of shares of the Company is 385,955,532, all of which are ordinary shares with a nominal value of RMB1 each.

Article 22 Upon completion of the initial public offering of H shares, the capital structure of the Company on the listing date will be: 385,955,532 ordinary shares, comprising 106,791,193 domestic unlisted shares and 279,164,339 H shares.

Article 23 The Company shall not provide grants, loans, guarantees and other financial assistance for others to acquire the shares of the Company or its parent company, except for the Company's implementation of the employee stock ownership plan.

The Company may, in the interests of the Company, provide financial assistance to others for the acquisition of shares of the Company or its parent company by resolution of the general meeting or the board of directors in accordance with the Articles of Association or the authorization of the general meeting, provided that the cumulative total amount of the financial assistance shall not exceed 10% of its total issued share capital. Resolutions of the board of directors shall be passed by at least two-thirds of the directors.

If a director, supervisor or a member of the senior manager violates the provisions of the preceding two paragraphs and causes losses to the Company, he/she shall be held liable for compensation.

Where otherwise provided by the laws, administrative regulations, departmental rules or securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

Section 2 Increase, Reduction and Repurchase of Shares

Article 24 In accordance with the laws and regulations, the Company may increase its capital by the following ways upon approval by resolutions of the general meeting according to the operation and development needs of the Company:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) distributing of bonus shares to its existing shareholders;
- (IV) capitalization of provident fund into share capital;
- (V) other form specified in laws, administrative regulations and approved by the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed.

If the Company is to increase its capital by an offering of new shares, it shall be conducted in accordance with the procedure provided in relevant state laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed after such increase has been approved in accordance with the Articles of Association.

Article 25 The Company may reduce its registered capital. The reduction in the registered capital shall be made in accordance with the procedures set out in the Company Law, other related provisions and the Articles of Association.

Article 26 The Company may not acquire its own shares other than for one of the following purposes:

- (I) reducing its registered capital;
- (II) merging with other company holding its shares;
- (III) using shares for the employee stock ownership plan or as equity incentives;

- (IV) acquiring its own shares at the request of its shareholders who vote in the general meeting against a resolution regarding a merger or division;
- (V) using shares for converting convertible corporate bonds issued by the Company;
- (VI) safeguarding corporate value and the interests of shareholders as the Company deems necessary;
- (VII) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed.

Article 27 When the Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

When the Company acquires its own shares, it may conduct by way of open and concentrated transactions, or in other manner permitted by laws, administrative regulations and the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed. Where the Company acquires its own shares under circumstances as mentioned in items (III), (V) or (VI) of the first paragraph of the Article 26 of the Articles of Association, it shall be conducted by way of open and concentrated transactions.

Article 28 Where the Company acquires its own shares under circumstances as mentioned in items (I) and (II) of the first paragraph of the Article 26 of the Articles of Association, it shall be subject to approval at the general meeting; where the Company acquires its own shares under circumstances as mentioned in items (III), (V) and (VI) of the first paragraph of the Article 26 of the Articles of Association, it shall, pursuant to the Articles of Association or the authorization of the general meeting, be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

If the Company acquires its own shares in accordance with the provisions of the first paragraph of the Article 26 of the Articles of Association, the shares acquired under the circumstance of item (I) shall be cancelled within 10 days from the date of acquisition; the shares acquired under the circumstances of items (II) and (IV) shall be transferred or cancelled within six months; the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years in the circumstances set out in items (III), (V) and (VI).

Where the laws, regulations, regulatory documents and relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed have any other provisions in respect of matters involving share repurchase mentioned above, such provisions shall prevail.

Section 3 Transfer of Shares

Article 29 The Company shall disclose information on its shareholders and de facto controllers in accordance with the laws, and the relevant information shall be true, accurate and complete. It is prohibited to hold the Company's shares on behalf of the shareholders in violation of the laws, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed.

Shares held by shareholders of the Company may be transferred in accordance with the laws, regulations, regulatory documents and relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed.

All transfers of H Shares shall be executed with a written instrument of transfer in general or ordinary format or any other format accepted by the board of directors (including the standard format of transfer or form of transfer as required by the Hong Kong Stock Exchange from time to time). If the transferor or transferee of the shares of the Company is a recognised clearing house as defined by relevant ordinances of Hong Kong laws in force from time to time (hereinafter referred to as the “Recognised Clearing House”) or its nominee, the signature on the written instrument of transfer may be signed by hand or in mechanically printed form. All instruments of transfer must be kept at the legal address of the Company or other place as may be designated by the board of directors from time to time.

Article 30 The Company shall not accept any of its own shares as the subject of pledge right.

Article 31 Shares already issued by the Company before public offering shall not be transferred within one year from the date of the shares of the Company listing on the Stock Exchange. Where the laws, administrative regulations or the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed have any other provisions for the transfer of shares of the Company held by shareholders and de facto controllers of the Company, such provisions shall prevail.

Directors, supervisors and senior management of the Company shall report to the Company about the shares they held in the Company and changes thereof, and shares transferred each year during their terms of office as determined at the time of their assumption of office shall not exceed 25% of the total number of shares they held in the Company; shares they held in the Company shall not be transferred within one year from the date of shares of the Company are listed. The aforesaid persons shall not transfer the shares they held in the Company within half a year after they terminate service with the Company.

If the Company’s shares are pledged within the period of restriction on transfer prescribed by laws, administrative regulations or the securities regulatory authorities of the place where the shares of the Company are listed, the pledgee shall not exercise the pledge right within the period of restriction.

A controlling subsidiary of the Company shall not acquire shares of the Company. If a controlling subsidiary of the Company holds shares of the Company as a result of a merger or the exercise of a pledge right, it shall not exercise the voting rights corresponding to the shares it holds and shall dispose of the relevant shares of the Company in a timely manner.

Where relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed have any other provisions in respect of restrictions on transfer of overseas listed shares, such provisions shall prevail.

Article 32 In the event that director, supervisor or senior management of the Company or shareholder who holds more than 5% of the shares of the Company sells their shares of the Company or other securities in the nature of shareholding rights within six months after the acquisition of the same or repurchases such shares or securities within six months after sale of the same, any proceed arising therefrom shall be attributed to the Company and the Company's board of directors shall retrieve such proceed. However, securities companies holding 5% or more of the shares as a result of the purchase of the remaining shares under underwriting, and other circumstances stipulated by the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed are excluded.

The shares or other equity securities held by the directors, supervisors, senior management members and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouse, parents and children, and those held through the accounts of others.

If the board of directors of the Company fails to comply with the provisions in the first paragraph of this Article, shareholders have the right to request the board of directors to comply with the related provisions within 30 days. If the board of directors of the Company fails to comply with the provisions within the said period, shareholders have the right to bring a suit directly to the People's Court in their own name for the interests of the Company.

If the board of directors of the Company fails to comply with the provisions in the first paragraph of this Article, the responsible directors shall bear joint liability in accordance with laws.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING

Section 1 Shareholders

Article 33 The Company shall make a register of members based on the vouchers provided by securities registries. The register of members shall be the sufficient evidence proving the shareholders' holding of the Company's shares. The shareholders enjoy rights and assume obligations according to the class of shares held by them; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 34 When the Company convenes general meetings, distributes dividends, commences liquidation and participates in other activities requiring the identification of shareholders, the board of directors or the convener of the general meeting shall determine the record date, and shareholders registered in the register of members after close of market on the record date shall be shareholders entitled to the relevant rights and interests.

Changes to the register of shareholders shall not be made within 20 days prior to the date of the general meeting or within 5 days prior to the base date on which the Company decides to distribute dividends. Where the laws, administrative regulations or the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed provide otherwise for changes to the Company's register of shareholders, such provisions shall prevail.

Article 35 Shareholders of the Company shall have the following rights:

- (I) to receive dividends and benefit distributions in other forms according to the portion of shares held by them;
- (II) to request, convene, chair, attend or appoint proxies to attend general meetings and exercise corresponding voting rights in accordance with laws;
- (III) to supervise the operation of the Company and to put forward proposals or raise inquiries;
- (IV) to transfer, donate or pledge shares held by them in accordance with the provisions of laws, administrative regulations, relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed and the Articles of Association;
- (V) to inspect and copy the Articles of Association, register of members, counterfoils of corporate bonds, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the supervisory committee, and financial and accounting reports, but where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail;

The Company shall make a complete duplicate of the register of members and minutes of the general meetings available for free inspection by shareholders at the Company's Hong Kong address as required by the Hong Kong Listing Rules, but the Company is allowed to close the register on terms equivalent to the Companies Ordinance (Chapter 632 of the Laws of Hong Kong);

- (VI) to participate in the distribution of the residual assets of the Company according to the portion of shares held by them in the event of the termination or liquidation of the Company;
- (VII) to request the Company to purchase their shares for the shareholders who object to the resolution on the Company's merger or division made by the general meetings;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The Company shall regularly disclose to the shareholders the remuneration received by directors, supervisors and senior management from the Company.

Article 36 Shareholders requesting for inspection of the relevant information or demand for materials referred to in the preceding Article shall provide the Company with written documents evidencing the class and number of shares of the Company held by them, and the Company shall provide information as requested by the shareholders upon verification of the identity of the shareholders.

If a shareholder who individually or collectively holds more than 3% of the Company's shares for more than 180 consecutive days wishes to inspect the Company's accounting books and vouchers, he or she shall submit a written request to the Company, stating the purpose. If the Company has solid reasons to believe that his/her access to the accounting books and vouchers entails an improper purpose and may jeopardize the legitimate interests of the Company, the Company may refuse to provide such access and shall reply to the shareholder in writing within 15 days from the date of his/her written request, stating the reasons therefor. If the Company refuses to provide access, the shareholder may file a lawsuit with the People's Court.

Shareholders may entrust accounting firms, law firms and other intermediaries to inspect the materials specified in the preceding paragraph.

Where the laws, administrative regulations and the relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise for shareholders' access to and copying of relevant materials, such provisions shall prevail.

Article 37 Where the content of a resolution of the general meeting or the board of directors of the Company violates laws or administrative regulations, shareholders have the right to request the People's Court to hold it invalid.

If the convening procedure or voting method of a general meeting or meeting of the board of directors violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders may request the People's Court to revoke the resolution within 60 days from the date it was made, except that there are only minor defects in the procedures for convening the general meeting or the meeting of the board of directors or in the manner of voting, which do not materially affect the resolution.

Shareholders who have not been notified to attend the general meeting may request the People's Court to revoke the resolution of the general meeting within 60 days from the date when they are aware or should be aware that the resolution has been made; if they have not exercised the right of revocation within one year from the date when the resolution is made, the right of revocation shall be extinguished.

If a resolution of the general meeting or board of directors of the Company is declared invalid, revoked or confirmed by a People's Court to be untenable, the Company shall apply to the company registration authority for revocation of the registration that has already been filed in accordance with the resolution.

Article 38 Resolutions of the general meeting and board of directors of the Company shall be deemed invalid if any of the following circumstances apply:

- (I) the resolution is made without convening a general meeting or a meeting of the board of directors;
- (II) no votes were taken on the resolutions at the general meeting and that of the board of directors;
- (III) the number of persons attending the meeting or the number of votes they hold does not meet with the number of persons or the number of votes as required by the Company Law or the Articles of Association;

- (IV) the number of persons agreeing on the resolutions or the number of votes they hold does not meet with the number of persons or the number of votes as required by the Company Law or the Articles of Association.

Article 39 If directors and senior management members cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during the performance of their duties in the Company, shareholders who hold more than 1%, individually or jointly, of the Company's shares for more than 180 days continuously, may request the supervisory committee in written form to file a suit in the People's Court; if the supervisors cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during the performance of their duties in the Company, aforementioned shareholders may request the board of directors in written form to file a suit in the People's Court.

If the supervisory committee or the board of directors causes irreparable losses to the Company's interests as it refuses to file a suit after receiving the written request from shareholders as required in the preceding paragraph, or fails to file a suit within 30 days since the date of receiving the request, or does not file a suit immediately in case of emergency, the shareholders as mentioned in the preceding paragraph have the right to bring a suit directly to the People's Court in their own name for the interests of the Company.

If others infringe on the legitimate rights and interests of the Company and cause losses to it, the shareholders as mentioned in the first paragraph of this Article may bring a suit to the People's Court pursuant to the provisions of the preceding two paragraphs.

If the directors, supervisors or senior management of a wholly-owned subsidiary of the Company perform their duties in violation of laws, administrative regulations or the provisions of the Articles of Association of the Company, causing losses to the wholly-owned subsidiary of the Company, or if others infringe upon the lawful rights and interests of and cause losses to the wholly-owned subsidiary of the Company, the shareholders who have held, individually or jointly, more than 1% of the shares of the Company for a period of more than 180 consecutive days, may, in accordance with the provisions of the preceding three paragraphs, request in writing the supervisory committee or the board of directors of the wholly-owned subsidiary to file a lawsuit with the People's Court or directly file a lawsuit with the People's Court in its own name.

Article 40 In the event of a director or senior management member violates the requirements of laws, administrative regulations or the Articles of Association, thereby damaging the interests of shareholders, shareholders may bring a suit to the People's Court.

Controlling shareholders and de facto controllers of the Company who instruct directors or senior management to engage in acts detrimental to the interests of the Company or its shareholders shall be held jointly liable for the losses with such directors and senior management.

Article 41 Shareholders of the Company shall assume the following obligations:

- (I) to comply with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association and exercise shareholders' rights in compliance with the same;
- (II) to pay subscription monies according to the number of shares subscribed by them and the method of subscription;

- (III) not to withdraw the shares unless required by laws and regulations;
- (IV) not to abuse shareholders' rights to jeopardize the interests of the Company or other shareholders; shareholders of the Company who abuse the shareholders' rights and cause losses to the Company or other shareholders shall be liable for the damages in accordance with laws;
- (V) not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially jeopardizing the interests of creditors of the Company; shareholders of the Company who abuse the status of the Company as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially jeopardizing the interests of creditors of the Company, shall be jointly and severally liable for the debts owed by the Company; if a shareholder of the Company takes advantage of the two or more companies under his/her control in committing the foregoing acts, each company shall be held jointly liable for the debts of any of them;
- (VI) other obligations imposed by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

Article 42 Where shareholders holding more than 5% of voting shares of the Company pledge shares held by them, they shall make written reports to the Company on the day on which they pledge their shares.

Article 43 The controlling shareholders, de facto controllers, directors, supervisors, and senior management of the Company shall not take advantage of their connected relationships to damage the interests of the Company; any losses caused to the Company as a result of such violation shall be compensated.

The controlling shareholders and de facto controllers of the Company are obliged to act in good faith to the Company and the public shareholders of the Company. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with laws, and the controlling shareholders shall not impair the legitimate rights and interests of the Company and the public shareholders by means such as distribution of profits, reorganization of assets, external investment, misappropriation of assets, loan or guarantee, nor make use of their controlling position to impair the interests of the Company and the public shareholders.

Article 44 Any shareholder who is registered on the register of members or any person who requests his/her name to be registered on the register of members may, if his/her share certificate is lost, apply to the Company for a new replacement share certificate in respect to such shares.

A holder of overseas listed shares who has lost his/her share certificate and applies for a replacement share certificate may do so in accordance with laws, the rules of the stock exchange or other relevant requirements of the place where the original register of members of overseas listed shares is maintained.

Section 2 General Provisions for the General Meeting

Article 45 The general meeting consists of all the shareholders of the Company and is the organ of authority of the Company, which exercises the following functions and powers in accordance with laws:

- (I) to decide on the operational objectives and investment plans of the Company;
- (II) to elect and replace the directors and supervisors (not being representatives of employees) and to decide on the matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve the reports of the board of directors;
- (IV) to consider and approve the reports of the supervisory committee;
- (V) to consider and approve the annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the profit distribution proposals and loss recovery proposals of the Company;
- (VII) to decide on any increase or reduction of the registered capital of the Company;
- (VIII) to decide on the issue of corporate bonds;
- (IX) to decide on merger, division, dissolution and liquidation of the Company or change of its corporate form;
- (X) to amend the Articles of Association;
- (XI) to decide on the appointment and removal of the accounting firm by the Company and the determination of its remuneration;
- (XII) to consider and approve the guarantees as stipulated in Article 46 of the Articles of Association;
- (XIII) to review matters in relation to purchase or sale of material assets by the Company (including its controlling subsidiaries) with an amount of more than 30% of the audited total assets of the Company for the most recent period within one year;
- (XIV) to consider and approve the material transactions and connected transactions which shall be considered and approved by the general meeting as required by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (XV) to consider and approve matters relating to the changes in the use of proceeds;
- (XVI) to consider and approve the equity incentive plan and the employee stock ownership plan;

(XVII) to consider other matters that shall be decided by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Except that the general meeting may authorize the board of directors to resolve on the issuance of corporate bonds, the above-mentioned functions and powers of the general meeting shall not be exercised by the board of directors or other institutions or individuals through authorization.

Article 46 The following external guarantees of the Company shall be considered and approved by the general meeting:

- (I) any guarantee provided after the total amount of external guarantees by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees by the Company exceeds 30% of the latest audited total assets;
- (III) any guarantee by the Company within one year with guaranteed amount in excess of 30% of the latest audited total assets of the Company;
- (IV) any guarantee provided for a target party whose asset-liability ratio is over 70%;
- (V) any guarantee with a single guaranteed amount in excess of 10% of the latest audited net assets;
- (VI) any guarantee provided to shareholders, de facto controllers and their connected parties;
- (VII) other external guarantees that require the consideration and approval of the general meeting stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Matters concerning the above-mentioned external guarantees that are subject to the approval of the general meeting must be considered and approved by the board of directors before they are submitted to the general meeting for approval. The board of directors shall be entitled to consider and approve external guarantees other than those subject to the approval of the general meeting as aforesaid.

The external guarantees within the scope of authority of the board of directors shall also be approved by more than two-thirds of the directors present at the board meeting, besides be approved by more than half of all directors. The external guarantees under item (III) of the paragraph 1 of the Article 46 of the Articles of Association shall be passed by more than two-thirds of the voting rights held by shareholders attending the general meeting.

When the general meeting is considering a proposal to provide guarantees for any shareholder, de facto controller and their connected person (as defined in the Hong Kong Listing Rules, the same below), the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on such proposal, and the proposal shall be subject to approval by more than half of the voting rights held by the other attending shareholders.

Where the Company provides guarantees to connected parties, there shall be sound business logic, timely disclosure after consideration and approval by the board of directors and submission to the general meeting for consideration.

If the Company provides guarantees for controlling shareholders, de facto controllers and their connected persons, the controlling shareholders, de facto controllers and their connected persons shall provide counter-guarantee.

If the board of directors or the general meeting violates the provisions of the relevant laws and regulations or the Articles of Association relating to the approval authority and deliberation procedures for external guarantees, and makes a resolution on external guarantees, the relevant directors and shareholders who violate the approval authority or deliberation procedures shall be jointly and severally liable. If external guarantees are provided in violation of the approval authority or deliberation procedures, the Company shall have the right to require the relevant parties be held accountable for such violation based on the loss, risk and seriousness.

Article 47 The general meeting is divided into an annual general meeting and an extraordinary general meeting. The general meeting shall be held once a year and within six months following the end of the previous fiscal year.

Article 48 The Company shall convene an extraordinary general meeting within two months from the occurrence of any of the following events:

- (I) the number of directors falls short of the minimum number required by the Company Law or is no more than two-thirds of the number required by the Articles of Association;
- (II) the unrecovered losses of the Company amount to one-third of its total share capital;
- (III) shareholders severally or jointly holding more than 10% of shares of the Company make a request to hold such meeting;
- (IV) the board of directors considers it necessary;
- (V) the supervisory committee proposes to hold such meeting;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Article 49 The place for holding a general meeting of the Company shall be the residence of the Company, other places of office or such place as specified in the notice of the meeting, which shall be specified by the convener in the notice of each general meeting.

The general meeting will set up a venue and will be convened in form of an on-site meeting or by other means permitted by laws and regulations. The Company will also provide communication methods such as internet, telephone, video, fax and email as necessary to facilitate shareholders attending the meeting, and the specific ways and requirements shall be subject to the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association. Shareholders attending a general meeting through the above means shall be deemed attending.

Article 50 When convening a general meeting, the Company shall engage solicitors to provide legal opinions and make announcements on the following issues:

- (I) whether the procedures of convening and holding the meeting comply with laws, administrative regulations and the Articles of Association;
- (II) whether the qualifications of attendees and convener are legal and valid;
- (III) whether the procedure and result of voting of the meeting are legal and valid;
- (IV) legal opinions on other related matters as requested by the Company.

Section 3 Convening of the General Meetings

Article 51 A general meeting shall be convened by the board of directors in accordance with laws.

If the board of directors is unable or fails to perform its duty to convene a general meeting, the supervisory committee shall convene and preside over the meeting in a timely manner; or if the supervisory committee fails to convene and preside over the meeting, the shareholders who, individually or in aggregate, have held more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

Article 52 Independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. For such proposal, the board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, make a decision on whether or not it agrees to convene such extraordinary general meeting within 10 days after receipt of the proposal, and reply to the independent non-executive directors in writing.

If the board of directors agrees to convene such meeting, a notice for convening such meeting shall be given within 5 days after the board of directors' resolution is passed; if the board of directors disagrees to convene an extraordinary general meeting, it shall give a written explanation and make a public announcement in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

Where the securities regulatory authorities of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Article 53 The supervisory committee shall have the right to propose to the board of directors in writing to convene an extraordinary general meeting. The board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, make a decision on whether or not it agrees to convene such extraordinary general meeting within 10 days after receipt of the proposal, and reply to the supervisory committee in writing.

If the board of directors agrees to convene such meeting, a notice for convening such meeting shall be given within 5 days after the board of directors' resolution is passed and any changes to the original proposal contained in the notice shall be subject to approval of the supervisory committee.

If the board of directors disagrees to convene such meeting or fails to give any reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening such meeting, in which case the supervisory committee may convene and preside over the meeting by itself.

Article 54 Shareholders severally or jointly holding more than 10% of shares of the Company shall have the right to make a request to the board of directors in writing to convene an extraordinary general meeting. The board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, make a decision on whether or not it agrees to convene such extraordinary general meeting within 10 days after receipt of the request, and reply to the shareholders in writing.

If the board of directors agrees to convene such meeting, a notice for convening such meeting shall be given within 5 days after the board of directors' resolution is passed and any changes to the original request contained in the notice shall be subject to the approval of relevant shareholders. Where laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

If the board of directors disagrees to convene such meeting or fails to give any reply within 10 days after receipt of the request, shareholders severally or jointly holding more than 10% of shares of the Company shall have the right to propose to the supervisory committee in writing to convene the extraordinary general meeting.

If the supervisory committee agrees to convene such meeting, a notice for convening such meeting shall be given within 5 days after receipt of the request and any changes to the original request contained in the notice shall be subject to the approval of relevant shareholders. Where otherwise provided by the laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

If the supervisory committee fails to serve any notice of such meeting within the prescribed period, it shall be deemed not to convene and preside over the meeting, in which case shareholders severally or jointly holding more than 10% of shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

Article 55 If the supervisory committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall issue a written notice to the board of directors.

Prior to the announcement of the resolutions of the general meeting, the shares held by the convening shareholders shall not be less than 10%.

Where the laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Article 56 For general meetings convened by the supervisory committee or the shareholders, the board of directors and the secretary to the board of directors shall coordinate accordingly. The board of directors shall provide the register of members as at the record date. The register of members so obtained by the convener shall not be used for any purpose other than convening the general meeting.

Article 57 All necessary expenses incurred by the supervisory committee or the shareholders to convene a general meeting shall be assumed by the Company.

Section 4 Proposals and Notices of the General Meetings

Article 58 The contents of a proposal shall be within the scope of the duties and powers of the general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with the relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 59 Where the Company convenes a general meeting, the board of directors, the supervisory committee and shareholders severally or jointly holding more than 1% of shares of the Company shall have the right to put forward proposals to the Company.

Shareholders severally or jointly holding more than 1% of shares of the Company may submit written provisional proposals to the convener 10 days before the general meeting. Provisional proposals should have definite themes and specific matters for resolutions. The convener shall, by means of an announcement, serve a supplemental notice of the general meeting to the other shareholders within 2 days after receipt of the provisional proposals, which shall include the contents of the said provisional proposals to be submitted to the general meeting for consideration. However, provisional proposals violating the provisions of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, or the Articles of Association, or are not within the terms of reference of the general meeting shall be rejected. Unless otherwise provided by laws, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed, the Company shall not increase the shareholding of the shareholder who puts forward the provisional proposal.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served. The general meeting shall not vote and pass resolutions on proposals that are not specified in the notice of the general meeting or that do not comply with the provisions of Article 58 of the Articles of Association.

Where otherwise provided by the laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

Article 60 The convener shall notify the shareholders by announcement at least 21 days prior to the convening of the annual general meetings, or at least 15 days prior to the convening of the extraordinary general meetings. Regarding the calculation of the notice period, the date of the meeting shall not be included, but the date on which the notice is given shall be included. Where the laws, administrative regulations or the securities regulatory authorities of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Article 61 A notice of the general meeting includes the following requirements:

- (I) the date, venue, and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;
- (III) a conspicuous statement that all ordinary shareholders are entitled to attend the general meeting, and to appoint proxies to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date of shareholders entitled to attend the general meeting;
- (V) the names and phone number of permanent contact persons for the affairs of the meeting;
- (VI) the time and procedure of voting via the internet or any other manner (if applicable);
- (VII) other circumstances stipulated by relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The notice of the general meeting and its supplementary notice shall include the provisions under the law, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, and shall fully, completely disclose the details of all proposals. If the matters to be discussed require the opinions of the independent non-executive directors, the opinions of the independent non-executive directors and the reasons therefor shall be disclosed at the same time when the notice of the general meeting or its supplementary notice is issued.

The notice of the general meeting shall provide a full and clear explanation of the proposals for the meeting and, for proposals requiring a vote, the directors' recommendations as to how shareholders should vote in the best interests of the shareholders as a whole. The notice of the general meeting shall make it clear whether (and how) shareholders who participate in the general meeting by remote means may vote.

If the general meeting adopts the online or other forms, the voting time and voting procedures for the online meeting or other forms of meeting shall be specified in the notice of the general meeting. Voting online or by other means at the general meeting shall commence no earlier than 3:00 p.m. on the day before the on-site general meeting and no later than 9:30 a.m. on the day of the on-site general meeting, and shall end no earlier than 3:00 p.m. on the day of the on-site general meeting.

The interval between the record date and the date of the general meeting shall not be more than 7 business days. Once the record date is confirmed, no change may be made thereto.

If the Company needs to provide additional material information on matters proposed at the general meeting, it shall provide such information no less than 10 business days prior to the meeting. The Company shall, if necessary, adjourn the general meeting to ensure compliance with this provision.

Article 62 If the elections of directors and supervisors are intended to be discussed at the general meeting, the notice of the general meeting shall fully disclose the details of the candidates for the role of directors and supervisors, and shall at least include the following particulars:

- (I) personal particulars, such as education level, work experience and any part-time work undertaken;
- (II) whether there is any connected relationship with the Company or with the controlling shareholders and de facto controllers of the Company;
- (III) disclosure of their shareholding in the Company;
- (IV) 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;
- (V) the information required to be disclosed under the securities regulatory rules of the place where the shares of the Company are listed in relation to the new appointment, re-election or re-designation of directors or supervisors.

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 motion.

Article 63 After the notice of the general meeting sent out, the general meeting shall not be postponed or cancelled and the proposal listed in the notice of the general meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the meeting, the convener shall notify the shareholders and explain the reasons in accordance with laws, administrative regulations, and the securities regulatory rules of the place where the shares of the Company are listed at least 2 business days before the original convening date.

After the notice of the general meeting sent out, the venue of the meeting shall not be changed without justifiable causes. If it is necessary to change the venue of the meeting, the convener shall notify the shareholders and explain the reasons in accordance with laws, administrative regulations, and the securities regulatory rules of the place where the shares of the Company are listed at least 2 business days before the date of the meeting.

Where the securities regulatory rules of the place where the shares of the Company are listed have other provisions on the foregoing, such provisions shall prevail.

Section 5 Holding of the General Meetings

Article 64 The board of directors of the Company and other conveners shall take necessary measures to ensure the normal order of a general meeting. They shall take measures to prevent any interference with the general meeting, disturbance and violation of the legitimate rights and interests of shareholders and promptly report the same to the relevant departments for investigation.

Article 65 All ordinary shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting, speak at the general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association, unless an individual shareholder is, under the Hong Kong Listing Rules, required to abstain from voting for an individual matter, such as the circumstances in which shareholder holds material interests in individual transaction or arrangement to be voted.

Any shareholder entitled to attend and vote at the general meeting shall be entitled to attend the meeting in person, or appoint one or more other persons (who may not be shareholders) as his/her proxy to attend and vote on his/her behalf. If a proxy has been appointed to attend the meeting, the appointer shall be deemed to be present in person at the meeting.

Article 66 Individual shareholders attending the meeting in person shall present their identity cards or any other valid certificates or documents or stock account cards for identification. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the shareholder.

Institutional shareholders shall attend the meeting by their legal representatives (principals) or their proxies. If the legal representative (principal) attends the meeting, he or she shall produce his/her own ID card and a valid proof of his or her legal representative (principal) status. If a proxy has been appointed to attend the meeting, such a proxy shall produce his/her own ID card and the power of attorney issued by the legal representative (principal) of institutional shareholder according to law (except for recognised clearing house or its nominee) or a proxy form signed for its duly authorized proxy. If a proxy has been appointed by the institutional shareholder to attend the meeting, such shareholder shall be deemed to be present in person at the meeting.

Article 67 The power of attorney issued by a shareholder to appoint another person to attend a general meeting shall contain the following information:

- (I) the name of the proxy;
- (II) whether the proxy has the right to vote;
- (III) the matters to be addressed and authority given to the proxy;
- (IV) instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the general meeting, respectively;
- (V) the date of issuance and expiration date of the power of attorney;
- (VI) the signature (or seal) of the appointer or its proxy authorized in writing. If the appointer is an institutional shareholder, the seal of the institutional shareholder or the signature of its directors, duly authorized proxy or officer shall be affixed.

Where the securities regulatory rules of the place where the shares of the Company are listed have other provisions on power of attorney, such provisions shall prevail.

Article 68 The power of attorney shall indicate whether the shareholder's proxy can vote according to his/her own opinions if the shareholder does not make specific instructions. Shareholders' proxies shall exercise their voting rights within the scope of their authorization.

Article 69 If the power of attorney for voting by proxy is signed by another person authorized by the appointer, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter or other authorization document together with the power of attorney for proxy voting shall be deposited at domicile of the Company or such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is entrusted to vote or 24 hours before the scheduled voting time.

Where the appointer is an institutional shareholder, its legal representative (principal) or any other persons authorized by resolution of its board of directors or other decision-making body shall attend the general meeting of the Company on its behalf.

Article 70 Where a shareholder who appoints proxy is a recognized clearing house (or its nominee) as defined by the relevant provisions in Hong Kong that come into effect from time to time, it may authorise its corporate representative(s) or one or more persons as it deems fit to act as its proxy(ies) or representative(s) at any general meeting and meeting of creditors, provided that, if more than one person are authorised, the letter of authorization or power of attorney shall specify the number and class of shares in respect of which each person is authorised, and shall be signed by an authorised officer of the recognised clearing house. The person so authorized may attend the meeting and exercise the statutory rights (including the right to speak and vote) equal to that of other shareholders on behalf of the recognised clearing house (or its nominee) without presenting evidence of their shareholding, notarised authorization and/or further evidence of their duly authorization or producing letter of authorization signed by the appointer or its legal representative, as if such person were an individual shareholder of the Company.

Article 71 The register of the persons attending the meeting shall be prepared by the Company. The register shall set out the names of the persons attending the meeting (or names of the entity they are from), their identity card numbers, residential addresses, numbers of shares held or representing voting rights and names of the proxies (or names of the entity they are from).

Article 72 The convener of the general meeting and the lawyer engaged by the Company shall jointly verify the qualification of the shareholders according to the register of members provided by the securities registration and clearing organization, and register the name (or title) of each shareholder and the number of shares with voting rights he/she holds. The meeting registration shall be terminated by the time the presider of the meeting announces the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights they hold.

Article 73 When a general meeting is held, all directors, supervisors and the secretary to the board of directors shall attend the meeting, and the general manager and other senior management members shall attend the meeting as non-voting delegates.

Article 74 The general meeting shall be presided over by the chairman of the board of directors. Where the chairman is unable or fails to perform his/her duties, more than half of the directors shall jointly recommend one director to preside over the meeting.

A general meeting convened by the supervisory committee itself shall be presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is unable or fails to perform his/her duties, one supervisor shall be elected jointly by more than half of the supervisors to preside over the meeting.

The general meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.

When a general meeting is held and the presider violates the rules of procedure in a way that makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the presider of the meeting so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders with voting rights.

Article 75 The Company shall formulate the rules of procedure for the general meeting, which shall provide detailed provisions for the holding and voting procedures of the general meeting, including notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes and signing, as well as the principle of authorization of the board of directors by the general meeting. The authorization content should be clear and specific. The rules of procedure for the general meeting shall be made as an appendix to the Articles of Association, prepared by the board of directors and approved by the general meeting.

Article 76 At the annual general meeting, the board of directors and the supervisory committee shall report on their work over the past year to the general meeting. Each independent non-executive director shall also report their duties accordingly.

Article 77 If the general meeting requests the directors, supervisors or senior management to attend the meeting, the directors, supervisors or senior management shall attend the meeting and answer the shareholders' inquiries. The directors, supervisors and senior management shall make explanation and interpretation on the inquiries and suggestions of the shareholders at the general meeting.

Article 78 The presider of the meeting shall announce the number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting rights they hold shall be based on the meeting register.

Article 79 Minutes shall be taken for the items considered and decisions made by the shareholders during the general meeting, which shall be taken by the secretary to the board of directors. The minutes of the meeting shall include:

- (I) time, venue and agenda of the meeting, and the name or title of the convener;
- (II) the names of the presider of the meeting, and the directors, supervisors, general manager and other senior management members attending or present at the meeting;
- (III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal;
- (V) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
- (VI) the names of the lawyers (if any) and counting officer, vote scrutineers;

(VII) other contents that shall be recorded in the minutes of the meeting in accordance with the general meeting or the Articles of Association.

Article 80 The convener shall ensure the minutes of the meeting are true, accurate and complete. The attending directors, supervisors, secretary to the board of directors, convener or representative thereof, and presider of the meeting shall sign the minutes of the meeting. The minutes of the meeting, the signed attendance record of those shareholders on the spot and the power of attorney for attendance by proxy, and the valid information relating to the voting over network (if applicable) and by other means shall be kept for at least 10 years.

Article 81 A convener shall ensure that a general meeting shall be held continuously until a final resolution is formed. In the event that a general meeting is suspended or no resolutions can be made thereat due to special circumstances such as force majeure, the convener shall take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an explanation and announcement promptly.

Section 6 Voting and Resolutions at the General Meeting

Article 82 Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting shall be passed by more than half of the voting rights held by shareholders (including their proxies) attending the general meeting.

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

Article 83 The following matters shall be approved by an ordinary resolution at the general meeting:

- (I) working reports of the board of directors and the supervisory committee;
- (II) profit distribution plan and loss recovery plan formulated by the board of directors;
- (III) appointment and removal of the members of the board of directors and the supervisory committee and their remunerations and methods of payment;
- (IV) annual budgets and final accounts of the Company;
- (V) the annual report of the Company;
- (VI) other circumstances except for those which shall be approved by special resolutions as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Article 84 The following matters shall be approved by a special resolution at the general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation of the Company;
- (III) amendments to the Articles of Association;
- (IV) matters in relation to purchase or sale of material assets or provision of guarantees to others with an amount of more than 30% of the audited total assets of the Company for the most recent period within one year;
- (V) equity incentive plan;
- (VI) other circumstances stipulated by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and other circumstances adopted by ordinary resolutions at the general meeting as having a significant impact on the Company and requiring approval by way of special resolutions.

Article 85 If shareholders (including their proxies) attend the general meeting and exercise voting rights based on the number of voting shares which they represent, each share they hold shall have one vote. When a poll is taken, shareholders (including their proxies) entitled to two or more votes need not cast all their votes in the same way (for or against or abstaining from voting).

No voting rights shall be attached to the shares held by the Company, and such shares shall not be counted among the total number of voting shares held by the shareholders present at the general meeting.

Shareholders who purchase the voting shares of the Company in violation of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchasing them, and such number shall not be counted among the total number of voting shares held by the shareholders present at the general meeting.

If a shareholder is required not to exercise or abstain from voting on a resolution, or is restricted to vote only for or against a resolution in accordance with laws, administrative regulations, or the securities regulatory rules of the place where the shares of the Company are listed, such shareholder or his/her proxy shall abstain from voting or casting a vote in accordance with such requirements and in case of any violation of the aforesaid requirements or restrictions, votes cast by such shareholder or his/her proxy thereof shall not be adopted.

In the event that the securities regulatory authorities and/or the stock exchange of the place where the shares of the Company are listed has established a mechanism for publicly soliciting voting rights from shareholders, the board of directors of the Company, independent non-executive directors, shareholders holding 1% or more of the voting shares or the investor protection institution established in accordance with laws, administrative regulations, or the rules of securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intention and other information shall

be fully disclosed to the solicitation targets. Solicitation of shareholders' voting rights by means of compensation or disguised compensation is prohibited. Except as otherwise provided by laws, administrative regulations, or the securities regulatory rules of the place where the shares of the Company are listed, the Company shall not propose a restriction of minimum shareholding ratio on the solicitation of voting rights.

Article 86 When relevant connected transactions are considered at the general meeting, shareholders constituting connected persons (hereinafter referred to as "connected shareholders") shall not participate in voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement of any resolution of the general meeting shall adequately disclose the voting by unconnected shareholders.

Before connected transactions are considered at the general meeting, the Company shall determine the scope of connected shareholders in accordance with relevant laws, administrative regulations, and the securities regulatory rules of the place where the shares of the Company are listed. Connected shareholders or their authorized representatives may attend the general meeting and present their views to the attending shareholders in accordance with the procedures of the general meeting, but shall proactively abstain from voting on matters in respect of the relevant connected transactions and shall not take part in the voting; if connected shareholders do not proactively abstain from voting, other shareholders attending the meeting shall be entitled to require them to abstain from voting.

Upon abstention of the connected shareholders, other shareholders shall vote as per their voting rights and make corresponding resolutions in accordance with the provisions of the Articles of Association. Before voting on relevant connected transactions, the presider of the meeting shall declare the number of attending unconnected shareholders as well as the total number of their voting shares.

Resolution at the general meeting on a connected transaction shall be valid only if passed by votes representing more than half of the voting rights held by unconnected shareholders attending the general meeting. However, if such connected transaction involves a matter requiring approval by a special resolution as stipulated in the Articles of Association, the resolution of the general meeting shall be valid only if passed by votes representing two-thirds or more of the voting rights held by unconnected shareholders attending the general meeting.

If a connected shareholder participates in the voting for connected transactions in violation of this Article, his/her vote on relevant connected transactions shall be invalid.

Article 87 The Company shall provide convenience for shareholders to attend the general meeting by whatever methods and means including the use of modern information technology means such as online voting platform, provided that the general meeting shall be held legally and validly.

Article 88 Unless the Company is in a crisis or other special circumstance, the Company may not enter into any contract with any person other than a director, general manager and other senior management to have all or significant part of the Company's business in the care of the said person, unless with the approval by special resolutions at the general meeting.

Article 89 The list of candidates for directors and supervisors shall be submitted by way of proposal to the general meeting for voting.

The nomination of directors and supervisors of the Company shall be in accordance with the following methods and procedures:

- (I) Re-election at expiration of office terms of the board of directors or addition of directors to the existing board of directors: a list of candidates for directors may be proposed by the nomination committee based on the number of directors to be elected subject to the number specified by the Articles of Association, and after the resolution is passed by the existing board of directors, the board of directors shall submit the proposal to the general meeting for voting; shareholders severally or jointly holding more than 1% of shares of the Company may propose the candidates for directors to the existing board of directors for qualification review by the board of directors, and shall submit them to the general meeting for voting after they are passed.
- (II) Re-election at expiration of office terms of the supervisory committee or addition of supervisors (not being representatives of employees) to the existing supervisory committee: a list of candidates for supervisors (not being representatives of employees) may be proposed by the chairman of the existing supervisory committee based on the number of supervisors to be elected subject to the number specified by the Articles of Association, and after the resolution is passed by the existing supervisory committee, the supervisory committee shall submit the proposal to the general meeting for voting; shareholders severally or jointly holding more than 1% of shares of the Company may propose the candidates for supervisors (not being representatives of employees) to the existing supervisory committee for qualification review by the supervisory committee, and shall submit them to the general meeting for voting after they are passed.
- (III) The methods and procedures for nomination of independent non-executive directors shall be implemented in accordance with relevant provisions of laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.
- (IV) The supervisors (being representatives of employees) of the supervisory committee shall be elected at the employee representatives' meeting or otherwise democratically.

The nominator shall, before nominating candidates for directors or supervisors, get written undertakings of such candidates, confirm that they accept the nomination, and undertake that the particulars of such candidates for directors or supervisors disclosed publicly are true and complete, and such candidates will perform the duties properly after they are elected as directors or supervisors.

When voting in respect of the election of directors and supervisors at the general meeting is conducted, a cumulative voting system may be adopted in accordance with provisions of the Articles of Association or resolutions of the general meeting.

The cumulative voting system mentioned in the preceding paragraph refers to: in electing directors or supervisors at the general meeting, the voting right(s) carried by each share shall be the same as the number of directors or supervisors to be elected. The voting right(s) of the shareholders can be exercised on a concentration basis.

The board of directors shall provide and explain the biographies and basic information of the candidates for directors and supervisors to the shareholders in an announcement.

Article 90 Except for the cumulative voting system, all proposals shall be voted on one by one at the general meeting; in the event of different proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

Article 91 No amendment shall be made to a proposal when it is considered at the general meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at this general meeting.

Article 92 The same voting right shall be entitled to choose only one of the methods of voting, either on-site, online (if applicable) or by other means. In the event of the same voting right voted more than once, the first voting result shall be recognized.

Article 93 Except for proposals in relation to procedural or administrative matters of the general meeting which can be voted upon by a show of hands as decided by the chairman of the meeting in good faith, the voting at the general meeting shall be conducted by a registered poll. The abovementioned procedures and administrative matters shall:

- (I) not be set out in the agenda of the general meeting or any supplementary circular to shareholders; and
- (II) involve the duties of the presider of the meeting to keep the meeting in order and/or to allow the affairs of the meeting to be handled more properly and efficiently and give all shareholders a reasonable opportunity to express their views.

Article 94 Before voting takes place on a proposal at the general meeting, two shareholders' representatives shall be elected to count and scrutinize the votes. In the event that a shareholder has connections with a matter to be considered, the relevant shareholder and his/her proxy shall not participate in counting and scrutinizing of the votes.

When proposals are voted on at the general meeting, the shareholders' representative, the supervisors' representative and other relevant persons appointed in accordance with the securities regulatory rules of the place where the shares of the Company are listed shall be jointly responsible for the counting and scrutinizing of the votes as per the laws, administrative regulations, and the securities regulatory rules of the place where the shares of the Company are listed and shall announce the voting results on the spot, voting results of which shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies who cast their votes over the network (if applicable) or by other methods shall have the right to inspect their own voting results through the corresponding voting system.

Article 95 A physical general meeting shall not end earlier than the one held over the network (if applicable) or by another method. The presider of the meeting shall announce details and voting results on each proposal, and announce whether a proposal is passed according to the voting results.

Before the formal announcement of voting results, the Company, vote counters, vote scrutineers, major shareholders, network services providers and other related parties involved at the physical general meeting, over the network (if applicable) and by another voting method shall have an obligation to keep confidential details of the voting.

Article 96 Shareholders attending the general meeting shall present one of the following views on the proposals submitted for voting: for, against or abstention. The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.

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 such voters shall be counted as "abstentions".

Article 97 If the presider of the meeting has any doubt as to the result of any resolution put to vote, he/she may have the votes counted. If the presider of the meeting has not counted the votes, any attending shareholder or proxy thereof who objects to the result announced by the presider of the meeting may demand that the votes be counted immediately after the declaration of the voting result, and the presider of the meeting shall have the votes counted immediately.

Article 98 The resolutions of the general meeting shall be announced in a prompt manner according to relevant laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, and the announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the form of voting, the voting result of each proposal and the detailed content of each resolution passed.

Article 99 In the event that a proposal is not passed, or a resolution passed at a previous general meeting is modified at this general meeting, a special note shall be made in the announcement on the resolutions made at the general meeting.

Article 100 In the event that a proposal on the election of directors and supervisors is passed at the general meeting, the time for taking office of the new directors and supervisors shall be the time specified in the resolution of the general meeting. If the resolution of the general meeting does not specify the time of taking office, it shall be the time when the resolution is made at the general meeting.

Article 101 In the event that a proposal on the distribution of cash dividends or bonus shares or on share capital increase with transfers from the capital reserves is passed at a general meeting, the Company shall implement a specific scheme thereon within 2 months upon the conclusion of the general meeting.

Where otherwise provided by the laws, administrative regulations, or the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 102 Directors of the Company shall be natural persons. A person shall be disqualified from being a director of the Company in each of the following circumstances:

- (I) a person who does not have or who has limited capacity for civil conduct;

- (II) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or disrupting the order of the socialist market economy or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation or who has been announced probation less than 2 years since the date of the completion of the probation period;
- (III) a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (IV) a person who was a legal representative of a company or enterprise which had its business license revoked or was ordered to close down on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business license and closure ordered of that company or enterprise;
- (V) a person who has been listed as a defaulter by a People's Court since he/she failed to repay his/her relatively large amount of debts when due;
- (VI) 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;
- (VII) other circumstances stipulated by laws, administrative regulations, departmental rules and the 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 this Article, such elections, appointments or hiring 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 post.

Article 103 Directors shall be elected or replaced by the general meeting and may be removed by the general meeting before the expiration of their term of office. The term of office of the directors shall be three years, and the directors shall be eligible for re-election upon expiration of their term of office.

The term of office of a director shall commence from his/her accession till the expiry of the term of the current session of the board of directors. Where the election of directors fails to be timely conducted upon expiry of the term of office of the former directors, or the resignation of any director during his/her term of office results in the number of members of the board of directors being less than the statutory minimum requirement, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Where a director resigns, he/she shall notify the Company in writing, and the board of directors shall disclose the relevant information within two days; such resignation shall take effect on the date of receipt of the notice by the Company, but the director shall continue to perform his/her duties under the circumstances specified in the preceding paragraph.

Any director appointed by the board of directors to fill a casual vacancy or as an addition to the board of directors shall hold office only until the first annual general meeting of the Company after his/her appointment and shall be eligible for re-election at the meeting. Unless otherwise stipulated by laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed, the shareholders shall have power by an ordinary resolution at the general meeting to remove any director before the expiration of his/her term of office, effective from the date it was made; without justifiable causes, the claim for compensation made by the director under any contract shall not be affected by the removal of any director before the expiration of his/her term of office.

A director may serve concurrently as general manager or other senior management member, provided that the aggregate number of the directors who serve concurrently as general manager or other senior management members shall not exceed one half of the total number of directors of the Company.

The remuneration of directors is determined based on factors such as the performance of their primary duties, the time devoted, the results of annual performance appraisal, the level of remuneration of directors of similar enterprises and the employment conditions of other positions in the Company. The remuneration plan or proposal for directors proposed by the remuneration and appraisal committee is, upon the consent of the board of directors, subject to the general meeting for consideration and approval.

Article 104 Directors shall comply with the laws, administrative regulations and the Articles of Association, and shall fulfill fiduciary duties to the Company as follows:

- (I) not to abuse their positions to bribe others or accept other illegal income or misappropriate the properties of the Company;
- (II) not to misappropriate the funds of the Company;
- (III) not to set up accounts in his/her own name or in the name of any other person for the purpose of depositing any of the assets or funds of the Company;
- (IV) not to lend funds of the Company to any other person or use the property of the Company to provide guarantee for any other person without the consent of the general meeting or the board of directors in contravention of the provisions of the Articles of Association;
- (V) not to enter into contracts or effect transactions with the Company, directly or indirectly, without the matters relating to such contracts or transactions being reported to the board of directors or the general meeting, and without such contracts or transactions being resolved and passed by the board of directors or the general meeting in accordance with the provisions of the Articles;
- (VI) not to procure business opportunities for his/her or others' benefits that should have otherwise been available to the Company by taking advantage of his/her position, except in any of the following circumstances: (1) such behavior has been reported to the board of directors or the general meeting, and has been resolved and passed by the board of directors or general meeting in accordance with the provisions of the Articles of Association; (2) such business opportunities shall not be utilized by the Company in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association;

- (VII) not to self-operate or operate on behalf of others the same business with the Company without reporting to the board of directors or the general meeting, and without being resolved and passed by the board of directors or the general meeting in accordance with the provisions of the Articles of Association;
- (VIII) not to receive commissions from transactions between others and the Company for his/her own use;
- (IX) not to disclose confidential information of the Company without authorization;
- (X) not to damage the interests of the Company by taking advantage of their connected relationships with the Company;
- (XI) other fiduciary duties as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Income gained by directors in violation of this provision shall belong to the Company; if any losses are caused to the Company thereby, directors shall be liable for damages.

The directors shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not procure undue benefit by taking advantage of his/her functions and powers.

Article 105 Directors shall comply with the laws, administrative regulations and the Articles of Association, perform their duties with reasonable care that managers should ordinarily exercise in the best interests of the Company, and fulfil duties of diligence to the Company as follow:

- (I) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the state's laws, administrative regulations and economic policies, not going beyond the scope of business specified in the Company's business license;
- (II) shall treat all shareholders fairly;
- (III) shall stay abreast of the operations and management of businesses of the Company;
- (IV) shall provide signatory confirmation for the periodic reports of the Company and ensure that the information disclosed by the Company is true, accurate, and complete;
- (V) shall truthfully provide relevant information and data to the supervisory committee, and shall not obstruct the supervisory committee or supervisors from performing their duties;
- (VI) shall perform other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 106 Directors shall ensure that they have sufficient time and energy to participate in the affairs of the Company, and prudently assesses the risks and benefits that may arise from matters concerned.

Directors shall attend the meeting of the board of directors in person in principle. Any director who authorizes another director to attend on his/her behalf due to certain reasons shall cautiously select a proxy, with specific and clear authorized matters and intent of decision-making, and shall not give carte blanche to his/her proxy.

If any director fails to attend in person (the director shall be deemed to be present in person if he/she attends or votes at the board meetings by correspondence) or appoint other directors to attend the board meetings for two consecutive times, such director shall be deemed incapable of performing his/her duties, and the board of directors shall propose to replace such director at the general meeting.

Article 107 On a director's resignation becoming effective or expiration of the tenure of his/her office, the director shall go through all handover formalities with the board of directors, and his/her fiduciary duties to the Company and the shareholders shall not cease immediately after the termination of tenure and are still effective within one year after the termination of tenure. His/her obligation to keep the Company's business secrets (including core technologies, etc.) confidential will remain valid after the termination of tenure until the business secrets become public information, and he/she shall not use the Company's business secrets in his/her possession to engage in business that is the same as or similar to that of the Company. The duration of other fiduciary duties shall be determined based on the principle of fairness, taking into account factors such as the nature of the matter, its importance to the Company, the time of its impact on the Company, and the relationship with the director.

Article 108 No director shall act on behalf of the Company or the board of directors in his/her personal capacity, unless specified in the Articles of Association or legally authorized by the board of directors. In the event that a director acts in his/her personal capacity, but a third party may reasonably think the director is acting on behalf of the Company or the board of directors, such director shall state his/her stance and capacity in advance.

Article 109 Director who contravenes any laws, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties resulting in any loss to the Company shall be liable for compensation. Where a director performs his/her duties and causes damage to others, the Company shall be liable for compensation; if a director commits any intentional or gross negligence, he/she shall also be liable for compensation.

Directors shall safeguard the interests of the Company and all shareholders, and shall not prejudice the interests of the Company for the interest of de facto controllers, shareholders, employees, himself/herself or other third parties. Directors shall actively promote the regulated operation of the Company, supervise the Company to fulfill information disclosure obligation, timely rectify and report the irregularities of the Company and support the Company to fulfill its social responsibilities. Directors shall keep the Company's business secrets, and shall not disclose material information that has not yet been made public or use inside information to obtain unlawful benefits. Directors shall focus on matters such as the operating condition of the Company and timely report relevant issues and risks to the board of directors, and shall not claim exemption from liability on the grounds that they are not familiar with the Company's business or do not understand the relevant matters.

Article 110 The Company has independent non-executive director and the issues including conditions of appointment, nomination and election procedures, tenure of office, resignation and duties of the independent non-executive director are implemented in accordance with the relevant provisions of the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the relevant rules of the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed. 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.

Independent non-executive directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized, so as to ensure that the interests of all shareholders are adequately represented.

Section 2 Board of Directors

Article 111 The Company shall have a board of directors, which shall be accountable to the general meeting.

Article 112 The board of directors shall consist of nine directors and shall have one chairman. At all times, at least one-third of the members of the board of directors shall be independent non-executive directors, and the total number of independent non-executive directors shall be not less than three, at least one of whom shall have appropriate accounting or related financial management expertise or appropriate professional qualifications in line with regulatory requirements.

Article 113 The board of directors shall exercise the following powers:

- (I) to convene the general meeting and report on its work to the general meeting;
- (II) to implement the resolutions of the general meeting;
- (III) to decide on the Company's operational plans and investment proposals;
- (IV) to formulate proposals for the Company's annual financial budgets and final accounts;
- (V) to formulate the Company's profit distribution proposals and loss recovery proposals;
- (VI) to formulate proposals for the increase or reduction of registered capital, issue of bonds or other securities and listing of the Company;
- (VII) to formulate proposals for material acquisition, repurchase of the Company's Shares or merger, division, dissolution and change of corporate form of the Company;
- (VIII) to decide on external investment, purchase or sale of assets, assets security, provision of external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope authorized by the general meeting and in accordance with the securities regulatory rules of the place where the shares of the Company are listed;

- (IX) to decide on the setup of the Company's internal management organs;
- (X) to decide on appointment or dismissal of the Company's general manager, secretary to the board of directors and other senior management, and to decide on their remuneration, rewards and punishments; to decide on appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management based on the general manager's recommendation, and to decide on their remuneration, rewards and punishments;
- (XI) to formulate the Company's basic management system;
- (XII) to formulate proposals for amendment to the Articles of Association;
- (XIII) to manage the Company's information disclosure;
- (XIV) to propose to hire or replace an accounting firm auditing for the Company to the general meeting;
- (XV) to listen to the work report of the general manager of the Company and check the work of the general manager;
- (XVI) to formulate and review the corporate governance policies and practices of the Company;
- (XVII) to review and monitor the training and continuous professional development of directors and senior management;
- (XVIII) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (XIX) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- (XX) to review the Company's compliance with the Corporate Governance Code under the Hong Kong Listing Rules and disclosure in the corporate governance report;
- (XXI) other powers as permitted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, and other powers as granted by the general meeting.

Matters which are beyond authorization of the general meeting shall be submitted to the general meeting for consideration.

Article 114 The board of directors of the Company shall give explanations at the general meeting on the non-standard auditing opinions issued by certified public accountants on the Company's financial report.

Article 115 The board of directors shall formulate the rules of procedure for board meetings to ensure that the board of directors implements the resolutions of the general meeting, to improve work efficiency and ensure scientific decision-making. The rules of procedure for board meetings, which set out the convening and voting procedures of board meetings, shall be annexed to the Articles of Association, and prepared by the board of directors and approved by the general meeting.

Article 116 The board of directors shall lay down strict procedures to inspect and decide on the approval limit for external investment, purchase or sale of assets, assets security, provision of external guarantees, entrusted assets management, connected transactions and external donations, etc. For major investment projects, the board of directors shall organize the relevant experts and professional to conduct assessment for approval of the shareholders at the general meeting.

The following transactions shall be considered by the board of directors:

- (I) Transactions with total assets involved (the higher between the book value and assessed value) accounting for more than 10% of the Company's total asset according to the latest audited accounts, provided that transactions with total assets involved accounting for more than 50% of the Company's total asset according to the latest audited accounts shall be submitted to the general meeting for consideration;
- (II) Transactions with transaction amount accounting for more than 10% of the Company's market capitalization, provided that transactions with transaction amount accounting for more than 50% of the Company's market capitalization shall be submitted to the general meeting for consideration;
- (III) Transactions in which the net assets of the subject (such as equity) for the most recent accounting year account for more than 10% of the Company's market capitalization, provided that transactions in which the net assets of the subject (such as equity) for the most recent accounting year account for more than 50% of the Company's market capitalization shall be submitted to the general meeting for consideration;
- (IV) Transactions in which the relevant operating revenue of the subject (such as equity) for the most recent accounting year accounts for more than 10% of the Company's audited operating revenue for the most recent accounting year and the absolute amount of which is more than RMB10 million, provided that transactions in which the relevant operating revenue of the subject (such as equity) for the most recent accounting year accounts for more than 50% of the Company's audited operating revenue for the most recent accounting year and the absolute amount of which is more than RMB50 million shall be submitted to the general meeting for consideration;
- (V) Transactions that generate profits accounting for more than 10% of the Company's audited net profit for the most recent accounting year and the absolute amount of which exceeds RMB1 million, provided that transactions that generate profits accounting for more than 50% of the Company's audited net profit for the most recent accounting year and the absolute amount of which exceeds RMB5 million shall be submitted to the general meeting for consideration;

(VI) Transactions in which the net profit of the subject (such as equity) for the most recent accounting year accounts for more than 10% of the Company's audited net profit for the most recent accounting year and the absolute amount of which exceeds RMB1 million, provided that transactions in which the net profit of the subject (such as equity) for the most recent accounting year accounts for more than 50% of the Company's audited net profit for the most recent accounting year and the absolute amount of which exceeds RMB5 million shall be submitted to the general meeting for consideration;

(VII) Transactions that may constitute discloseable transactions under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

Transactions as mentioned in this Article include, but are not limited to, purchase or sale of assets, external investment (including entrusted wealth management and entrusted loans), provision of financial assistance (external borrowing), provision of guarantees (but not including the provision of external guarantees), leasing-in and leasing-out of assets, entrusting or being entrusted with the management of assets and businesses, donating or receiving assets, restructuring of debts or claims, signing of license agreements, and transfer or assignment of research and development projects.

The aforesaid purchase or sale of assets does not include purchase or sale of assets related to daily operations, such as the purchase of raw materials, fuel and power, and the sale of products or goods, but such purchase or sale of assets involved in asset swaps is still included.

External guarantees that shall be considered by the board of directors refer to guarantees other than those required to be approved by shareholders at the general meeting as stipulated in Article 46 of the Articles of Association.

Article 117 The chairman of the board of directors of the Company shall be elected by more than half of all directors.

Article 118 The chairman of the board of directors shall exercise the following powers:

- (I) to preside over the general meetings and to convene and preside over board meetings;
- (II) to supervise and inspect the implementation of resolutions of the board of directors;
- (III) to sign share certificates, debentures and other marketable securities of the Company;
- (IV) to sign important documents of the board of directors and other documents that shall be signed by the Company's legal representative;
- (V) in the event of any urgent situation due to force majeure such as catastrophic natural disasters, to exercise special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company and subsequently report such activities to the board of directors of the Company and the general meeting;
- (VI) to exercise other powers granted by the board of directors or permitted by laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are listed.

Except for routine or long-term authorizations that have been clearly specified in the Articles of Association, the authorization of the board of directors to the chairman of the board of directors shall be clearly made by means of a resolution of the board of directors, and there shall be clear and specific authorization matters, contents and authority. Any matters involving the significant interests of the Company shall be determined collectively by the board of directors and shall not be determined by the chairman or any individual director on their own upon authorization.

Article 119 In the event that the chairman of the board of directors is unable to or does not perform his/her duties, a director elected by more than half of all directors may perform his/her duties.

Article 120 The board of directors shall discuss matters by holding a board meeting. Board meetings shall be classified as regular meetings and interim meetings. Regular board meetings shall be held at least four times a year (about once every quarter) and shall be convened by the chairman of the board of directors by giving a written notice (including by hand, fax and mail) to all directors and supervisors 14 days prior to the meeting. Regular board meetings shall not be convened by way of circulating written resolutions.

Article 121 Shareholders representing one-tenth or more of the voting rights or one-third or more of the directors or the supervisory committee may propose to convene an interim board meeting. The chairman shall convene and preside over a board meeting within 10 days from the receipt of the proposal.

Article 122 The board of directors may convene an interim board meeting by giving a telephone call or a written notice (including by hand, fax and mail). The notice of the meeting shall be delivered to all directors and supervisors 5 days prior to the interim board meeting.

Where an interim board meeting is necessary to be convened as soon as possible in case of an emergency, the notice of the meeting may be delivered at any time by telephone or by other verbal means, and the notice of the meeting may be served without the time limitation of the preceding paragraph, provided that the convener shall give an explanation at the meeting.

Article 123 The notice period for convening board meetings may be shortened or waived upon unanimous consent of all the directors of the Company.

Article 124 The notice of the board meeting shall include the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matter and topic;
- (IV) date of issuance of notice.

The verbal notice of the meeting shall at least include the contents set forth in items (I) and (II) above and a description that the interim board meeting is necessary to be convened as soon as possible in case of an emergency.

Article 125 Board meetings shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Where otherwise provided by relevant laws, administrative regulations or the Articles of Association, such provisions shall prevail.

Voting on the resolutions of the board of directors shall be conducted on a one-person-one-vote basis.

Article 126 Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules, the same below) is materially interested in or connected with any enterprise or person in respect of a resolution of the board meeting, such director shall promptly report in writing to the board of directors and shall not exercise the right to vote on that resolution, nor shall he/she vote on behalf of other directors. His/her voting right shall not be counted towards the total voting rights.

Where the board of directors considers items (V), (VI) and (VII) of paragraph 1 of Article 104 of the Articles of Association, or the matters relating to contracts or transactions entered into between the Company and close relatives of directors, supervisors and senior management, or enterprises controlled directly or indirectly by directors, supervisors and senior management or their close relative, or persons who have other connected relationships with directors, supervisors and senior management, such connected directors shall not exercise the voting rights on such resolution, and also shall not exercise the voting rights on behalf of other directors, and their voting rights shall not be counted towards the total voting rights.

Any director with connected relationships shall voluntarily recuse himself/herself and abstain from voting before the board of directors votes on the connected matters; if a director without connected relationships considers that another director is connected to a resolution of the board meeting and should recuse himself/herself, he/she shall propose before the board of directors votes on the resolution, and whether or not the director who has been proposed to recuse himself/herself should do so shall be decided by the board of directors in accordance with the procedures as stipulated in the Articles of Association. Such board meeting may be held with the attendance of a majority of the directors without connected relationships, and resolutions made at the board meeting shall be approved by a majority of the directors without connected relationships. The recusal of a director and the reasons for such recusal shall be recorded in the minutes of the board meeting. If the number of directors without connected relationships present at the board meeting is less than three, the matter shall be submitted to the general meeting for consideration. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

If any related shareholder or director, from the perspective of the board of directors, has any major conflict of interest in the matters to be considered by the board of directors, the relevant matters shall be dealt with at a board meeting (rather than by a written resolution). Independent non-executive directors who themselves and whose close associates have no material interests in the transactions shall attend the relevant board meetings.

Article 127 Resolutions of the board of directors shall be voted on by open ballot or by show of hands.

As long as all directors can fully express their opinions, the board meetings may be held and vote can be casted thereat by means of on-site meeting and communication such as telephone, video, fax, email, and a combination of on-site meeting and communication, and resolutions can be made thereat and be signed by all participating directors.

A resolution of the board of directors may be adopted in writing, signed by all the directors of the board of directors, without the holding of a board meeting, provided that the resolution in writing intended to be adopted is sent to each director. In this regard, each director may sign different copies of the same resolution in writing, all of which together shall constitute one valid resolution in writing and, for this purpose, the facsimile signatures of the directors shall be valid and binding. Such a resolution in writing shall have the same effect as if it had been passed at a board meeting duly convened and held.

Article 128 Board meetings shall be attended by the directors themselves; if a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf, and the power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the appointer. The appointer shall expressly state whether he/she agrees or disagrees with or abstains from voting on each resolution. The director attending the meeting on other's behalf shall exercise the rights of director within the scope of authorization. If a director fails to attend a board meeting or appoint a proxy to attend on his/her behalf, such director shall be deemed to have waived his/her right to vote at such meeting.

Article 129 The board of directors shall keep minutes of resolutions on matters discussed at the board meeting, and the attending directors shall sign on the minutes of the board meeting.

The minutes of the board meeting shall be kept as the Company's archives for a period of not less than 10 years.

Article 130 The minutes of the board meeting shall include the following:

- (I) the session, date and venue of the meeting and name of the convener;
- (II) names of the directors present and names of the directors (proxies) appointed by others to attend the board meeting;
- (III) agenda of the meeting;
- (IV) highlights of directors' speeches;
- (V) voting form and results of each resolution (the voting results shall contain the number of affirmative, negative or abstention votes);
- (VI) other matters directors attending the meeting deem necessary.

The directors shall be liable for the resolutions of the board of directors. Where a resolution of the board of directors violates the laws, administrative regulations or the Articles of Association and the resolutions of the general meeting, thereby causing serious losses to the Company, the directors who involved in the resolution shall be liable to the Company for compensation. However, where a director can prove that he/she expressed his/her opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director shall be relieved from such liability.

Section 3 Special Committees under the Board of Directors

Article 131 The board of directors of the Company shall establish the audit committee and, when necessary, the strategy and development committee, the nomination committee and the remuneration and appraisal committee. The special committees shall be accountable to the board of directors and shall perform their duties in accordance with the Articles of Association and the authorization of the board of directors. The special committees shall submit proposals to the board of directors for consideration and decision.

The members of special committees shall be composed entirely of directors with independent non-executive directors constituting a majority of the audit committee, the nomination committee and the remuneration and appraisal committee and acting as conveners, the convener of the audit committee being accounting professional and the conveners of the special committees being appointed and removed by the board of directors.

The specific composition and qualification requirements of the special committees shall be in compliance with laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed.

The primary functions of the audit committee are to review the Company's financial position and its financial information, make judgments on the authenticity, completeness and accuracy of financial information, inspect the implementation and effectiveness of the internal control system, and is mainly responsible for communicating with the external audit on behalf of the Company and conducting supervision and scrutiny on the external audit, supervising the internal audit, evaluating and improving the internal control system of the Company with recommendations made on such regard, and carrying out risk assessment on the major investment projects under operation of the Company.

The strategy and development committee is mainly responsible for studying the Company's long-term development strategies and major investment decisions and making recommendations to the board of directors.

The primary duties of the nomination committee are to study the selection, selection criteria and procedures for the Company's directors (including independent non-executive directors) and senior management, and to make opinions and recommendations to the board of directors.

The remuneration and appraisal committee is mainly responsible for reviewing the appraisal of the Company's directors and senior management and their remuneration plans or proposals.

The board of directors is responsible for formulating the rules of procedure and working procedures of the special committees, stipulating the composition, functions and powers, rules of procedures and voting procedures of the special committees and regulating the operation of the special committees.

Article 132 The audit committee shall consist of three or more directors, and more than half of the members shall not hold any position other than the directors of the Company, and shall not have any relationship with the Company which may affect their independent and objective judgment.

Voting on the resolutions of the audit committee shall be conducted on a one-person-one-vote basis. Resolutions proposed by the audit committee shall be passed by more than half of the members of the audit committee.

Any of the following matter shall be passed by more than half of the members of the audit committee before the board of directors makes resolution on it:

- (I) appointment and dismissal of the accounting firm that undertakes the audit engagement of the Company;
- (II) appointment or dismissal of the chief financial officer;
- (III) disclosure of financial accounting reports;
- (IV) other matters as stipulated by the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 133 The Company shall have one general manager, who shall be appointed and dismissed by the board of directors.

The Company shall have 1 to 5 deputy general managers according to the needs of the Company, who shall be appointed and dismissed by the board of directors.

The Company's general manager, deputy general managers (appointed according to the needs of the Company), secretary to the board of directors and chief financial officer are the senior management members of the Company.

The remuneration of the senior management members is determined based on factors such as the working scope of their positions and the performance of their primary duties, the time devoted, significance, the results of annual performance appraisal, the level of remuneration of the relevant position of similar enterprises and the employment conditions of other positions in the Company. The remuneration plan or proposal for the senior management members proposed by the remuneration and appraisal committee is subject to submission to the board of directors for consideration and approval.

Article 134 The circumstances of disqualification from being a director prescribed in Article 102 of the Articles of Association shall be applicable to senior management members. Any employment of the senior management members in violation of the provisions in Article 102 of the Articles of Association shall be invalid. The board of directors of the Company shall terminate the employment of the senior management members if any of the circumstances set forth in Article 102 occurs during their tenure of office.

Provisions regarding the fiduciary duties of directors under Article 104 and duties of diligence of directors under items (IV), (V) and (VI) of Article 105 hereof shall be applicable to the senior management members.

Article 135 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 of the Company shall only receive remuneration from the Company, and shall not be paid by the controlling shareholders on their behalf.

Article 136 The term of office of the general manager shall be three years, renewable upon reappointment.

Article 137 The general manager shall be accountable to the board of directors and exercise the following powers in accordance with the provisions of the Articles of Association and as authorized by the board of directors:

- (I) to be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the board of directors and report to the board of directors;
- (II) to organize the implementation of the Company's annual business plan and investment plan;

- (III) to draft plans for the establishment of the Company's internal management bodies;
- (IV) to draft the basic management system of the Company;
- (V) to formulate the specific rules and regulations of the Company;
- (VI) to propose to the board of directors to appoint or dismiss deputy general managers, chief financial officer and other senior management of the Company;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) to exercise other powers conferred by the Articles of Association or the board of directors.

The general manager shall attend board meetings.

In accordance with the provisions of laws, administrative regulations and the Articles of Association, the general manager is responsible for making decisions on matters not considered and decided by the general meeting and the board of directors of the Company. The Company's daily operation matters are decided by the general manager.

Article 138 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the board of directors.

Article 139 The general manager's working rules include the following contents:

- (I) specifying conditions, procedures and participants of the general manager's meeting;
- (II) responsibilities and work allocation of the general manager and other senior management of the Company;
- (III) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies to the board of directors and the supervisory committee;
- (IV) other matters which the board of directors deems necessary.

Article 140 The general manager may resign before the expiration of his/her term of office. The specific procedures and methods of resignation shall be stipulated in the employment contract between the general manager and the Company.

Article 141 The deputy general manager and chief financial officer shall be nominated by the general manager and appointed and dismissed by the board of directors. The general manager shall submit the detailed information of the candidates to the board of directors when nominating the deputy general manager and chief financial officer. The deputy general manager and chief financial officer are responsible to the general manager and carry out their work under the unified leadership of the general manager. Their powers are reasonably determined by the general manager's office meeting.

Article 142 The Company shall have a secretary to the board of directors, who is responsible for the preparation of general meetings and board meetings, the keeping of documentation as well as the management of shareholders' information of the Company, handling the matters relating to information disclosure and other matters.

The secretary to the board of directors shall comply with relevant provisions of laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 143 Senior management who contravenes any laws, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties resulting in any loss to the Company shall be liable to the Company for compensation.

Where a senior management member performs his/her duties and causes damage to others, the Company shall be liable for compensation; if a senior management member commits any intentional or gross negligence, he/she shall also be liable for compensation.

Article 144 The senior management of the Company shall faithfully perform his/her duties and safeguard the best interests of the Company and all shareholders. The senior management of the Company shall be liable for compensation in accordance with the law if he/she has caused damage to the interests of the Company and the public shareholders due to their failure of performing their duties faithfully or the breach of their fiduciary duties.

CHAPTER 7 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 145 The circumstances of disqualification from being a director prescribed in Article 102 of the Articles of Association shall be applicable to supervisors. Where the Company elects or appoints a supervisor by violating the provisions in Article 102 of the Articles of Association, such election, appointment or hiring shall be invalid. Where a supervisor, during his/her term of office, is under any of the circumstances as mentioned in Article 102 of the Articles of Association, the Company shall remove him/her from his/her position.

The directors, general manager and other senior management shall not act as supervisors concurrently.

Article 146 Supervisors shall observe the laws, administrative regulations and the Articles of Association, and owe fiduciary duties and due diligence duties to the Company. They shall not abuse their positions to take bribes or solicit other illegal incomes, and shall never misappropriate the properties of the Company.

The remuneration of supervisors is determined based on factors such as the performance of their primary duties, the time devoted, the results of annual performance appraisal, the level of remuneration of supervisors of similar enterprises and the employment conditions of other positions in the Company. The remuneration plan or proposal for supervisors is subject to the consideration and approval of the general meetings.

Article 147 The term of office of the supervisors shall be three years, and the supervisors shall be eligible for re-election upon expiration of their term of office.

Article 148 Where the election of supervisors fails to be timely conducted upon expiry of the term of office of the former supervisors, or the resignation of the supervisors causes the members of the supervisory committee to fall short of the quorum, the former supervisors shall, prior to the accession of the newly elected supervisors, perform their duties as supervisors in accordance with laws, administrative regulation and the Articles of Association.

Article 149 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete, and provide signatory confirmation for the periodic reports.

Article 150 Supervisors may attend the board meeting, and raise inquiries or make recommendations on the resolutions to be considered by the board of directors.

Article 151 Supervisors shall not take advantage of their connected relationship to damage the interest of the Company. Any losses caused to the Company shall be compensated.

Article 152 Supervisor who contravenes any laws, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties resulting in any loss to the Company shall be liable to the Company for compensation.

Section 2 Supervisory Committee

Article 153 The Company shall have a supervisory committee. The supervisory committee shall consist of three supervisors and shall have one chairman. The chairman of the supervisory committee shall be elected by more than half of all supervisors. The chairman of the supervisory committee shall convene and preside over the meeting of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duty, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meeting of the supervisory committee.

The supervisory committee shall consist of shareholder representatives and an appropriate proportion of the Company's employee representatives, with one employee representative. The employee representatives of the supervisory committee shall be elected by employees of the Company at the employee representatives' meeting, the employee meeting or otherwise democratically.

Article 154 The supervisory committee shall exercise the following powers:

- (I) to review the regular reports of the Company prepared by the board of directors and to execute written confirmation opinions;
- (II) to examine the financial affairs of the Company;
- (III) to supervise the directors and senior management in their performance of their duties and to propose the dismissal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the general meetings;

- (IV) to demand rectification from a director or senior management when the acts of such persons are detrimental to the interests of the Company;
- (V) to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meetings under the Company Law and the Articles of Association;
- (VI) to submit proposals to the general meeting;
- (VII) to initiate proceedings against directors and senior management in accordance with the provisions of Article 189 of the Company Law;
- (VIII) to investigate any irregularities identified in the operation of the Company and, when necessary, to engage professional institutions such as accounting firms and law firms to assist its work at the expense of the Company;
- (IX) to exercise other powers stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

The supervisory committee may require directors and senior management to submit reports on their performance of duties. Directors and senior management shall truthfully provide relevant information and materials to the supervisory committee, and shall not interfere with the supervisory committee or supervisors in exercising their functions and powers.

Expenses required by the supervisory committee to exercise their functions and powers shall be borne by the Company.

Article 155 The supervisory committee shall convene a meeting at least once every six months and at least twice every year, and shall deliver a notice of the meeting to all supervisors in writing (including by hand, fax, or mail) 10 days prior to the meeting. Supervisors may propose the convening of extraordinary meetings of the supervisory committee. The notice of convening an extraordinary meeting of the supervisory committee shall be delivered to all supervisors in writing (including by hand, fax and mail) 5 days prior to the meeting.

The notice period for convening the above meetings and extraordinary meetings of the supervisory committee can be shortened or waived with the unanimous consent from all supervisors of the Company. If it is required to convene an extraordinary meeting of the supervisory committee as soon as possible in response to emergency, the notice of the extraordinary meeting can be given at any time by telephone calls or other oral ways, and the delivery of the notice regarding the forthcoming meeting shall not be subject to the time limit specified in the preceding paragraph, provided the convener shall make an explanation thereon at that meeting.

Voting on the resolutions of the supervisory committee shall be conducted on a one-person-one-vote basis. Resolutions of the supervisory committee shall be passed by more than half of all supervisors.

Article 156 The supervisory committee shall formulate rules of procedure of the supervisory committee specifying the deliberation method and voting procedure thereof, to ensure the work efficiency and scientific decision-making of the supervisory committee. The convening and voting procedures of the supervisory committee shall be specified in the rules of procedure of the supervisory committee, which shall be formulated by the supervisory committee, approved by the general meeting, and attached to the Articles of Association as an appendix.

Article 157 The supervisory committee shall keep minutes of resolutions on matters discussed at the meeting, and the attending supervisors shall sign on the minutes of the meeting.

A supervisor is entitled to request that an explanatory note be made with regard to his/her speech at the meeting. The minutes of meetings of the supervisory committee shall be kept as archives of the Company for at least 10 years.

Article 158 The notice of a meeting of the supervisory committee shall specify:

- (I) date, venue and duration of the meeting;
- (II) reasons and topics for discussion;
- (III) date of notice.

Verbal meeting notice shall at least include items (I) and (II) above, and an explanation shall be made if it is required to convene an extraordinary meeting of the supervisory committee as soon as possible in response to emergency.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 159 The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and requirements of relevant regulatory departments of the PRC. Where the securities regulatory authorities of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Article 160 The Company shall prepare, publish, distribute, dispatch, disclose, maintain and announce the Company's annual report and interim report in accordance with the provisions of the relevant laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the requirements of securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed and the stock exchange of the place where the shares of the Company are listed.

Article 161 The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

Article 162 When the Company distributes its profit after tax for a year, it shall allocate 10% of the profits to its statutory common reserve fund. No further allocations will be required when the balance of the Company's statutory common reserve fund is more than 50% of its registered capital.

If the statutory common reserve fund is insufficient to make up for the losses for the previous year, the profits for the current year shall be used to make up for the losses before any allocation to the statutory common reserve fund in accordance with the preceding paragraph.

After allocation to the statutory common reserve fund has been made from the profit after tax, subject to the approval by a resolution of the general meeting, the profit after tax may also be appropriated to the discretionary common reserve fund.

After making up for the losses and making allocations to the common reserve fund, the Company shall distribute any remaining profit after tax to the shareholders in proportion to their respective shareholdings, unless otherwise provided by the Articles of Association.

Where the Company distributes profits to shareholders by violating the provisions of the Company Law or the Articles of Association, the shareholders shall return such profits distributed to the Company; if losses are caused to the Company, the shareholders and the directors, supervisors and senior management in charge shall be liable for compensation.

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

(I) Decision-making procedures and mechanisms for the Company's profit distribution

1. The annual profit distribution proposal of the Company shall be proposed and formulated by the board of directors in accordance with the provisions of the Articles of Association, profitability, capital supply and requirements, and profit distribution planning. By considering a cash dividend distribution proposal, the board of directors shall earnestly research and discuss the timing, conditions, minimum proportion, adjustment conditions and other decision-making procedures in relation thereto. Independent non-executive directors may solicit opinions from minority shareholders for putting forward a dividend distribution proposal to the board of directors for consideration directly.

Before the profit distribution plan is submitted to the board of directors for discussion, it shall be approved by over half of all independent non-executive directors and a written review opinion shall be formed. When the board of directors considers the profit distribution plan, it shall be approved by over half of all directors and a written resolution shall be formed. The profit distribution plan shall be approved by over half of all supervisors and a written resolution shall be formed. After the profit distribution plan has been considered and approved by the board of directors and the supervisory committee, the board of directors shall submit it to the general meeting for consideration, and the profit distribution plan shall be passed by more than half of the voting rights held by the shareholders present (including their proxies).

2. In case of force majeure events, such as war and natural disasters, which have significant impact on the operation of the Company, or significant changes in the Company's own operating condition, the Company can adjust its profit distribution policy, provided that the adjusted profit distribution policy shall not be in contravention of the provisions of the relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed.
3. Before submitting a proposal to formulate a profit distribution policy and a proposal to adjust the established profit distribution policy to the board of directors for discussion, it shall be agreed by more than half of all independent non-executive directors and a written review opinion shall be formed. When the board of directors of the Company considers the proposal, it shall be approved by over half of all directors and a written resolution shall be formed, and the independent non-executive directors shall express their clear views. The supervisory committee of the Company shall consider the formulation and adjustment of the profit distribution policy, which shall be approved by more than half of vote of all supervisors and form a written resolution.

The formulation and adjustment of the profit distribution policy shall be submitted to the general meeting for deliberation after being considered and approved by the board of directors and the supervisory committee. The proposal to formulate the profit distribution policy shall be approved by more than half of the voting rights held by shareholders (including their proxies) attending the general meeting (including on-site meetings and online voting), and the proposal to adjust the established profit distribution policy shall be approved by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting (including on-site meetings and online voting).

4. When the general meeting deliberates on the profit distribution plan, the Company shall make online voting accessible to the shareholders, and should actively communicate and exchange with shareholders (especially minority shareholders) through various channels (including but not limited to telephone communications, planning shareholder reception days or inviting minority shareholders to attend meetings), fully listen to the opinions and requests from minority shareholders, and reply in a timely manner the concerns from minority shareholders.

(II) Details of the Company's profit distribution policy

1. The Company implements an active profit distribution policy to provide reasonable investment return to investors while maintaining its long-term interests and sustainable development. The Company fully listens to and considers the opinions and requests from shareholders (especially minority shareholders), independent non-executive directors and supervisors, and ensures the continuity and stability of the profit distribution policy.

The Company will actively distribute its profits in cash when there is sufficient capital for its normal production and operation. The Company may also distribute the profits by share dividend based on various genuine and reasonable factors such as the cash flow position, business growth and net asset value per share of the Company.

Cash dividends and other payments payable by the Company to holders of unlisted domestic shares shall be paid in RMB, whereas those to holders of overseas listed shares shall be denominated and declared in RMB and paid in foreign currency or RMB. As for the foreign currency needed by the Company for payment of cash dividends and other payments to holders of overseas listed Shares, it shall be handled in accordance with applicable regulations on foreign exchange control of the PRC.

In case of the misappropriation of Company funds by the shareholders, the Company shall deduct the cash dividends distributed to such shareholders in order to repay the misappropriated funds.

2. Conditions for cash dividend distribution

The Company shall, in principle, distribute profits in cash at least once a year, provided that the closing balance of its accumulated undistributed profits and the distributable profits for the current period are positive, the cash flow is sufficient for its normal operation and sustainable development, and sufficient allocations have been made to its statutory common reserve fund and discretionary common reserve fund. The Company's accumulated profit distributed in cash in the last three years shall not be less than 30% of the average annual distributable profit achieved in the last three years.

3. Conditions for share dividend distribution

Where the Company has sound operation, and the board of directors considers that the share price of the Company does not reflect its share capital size and share dividend is favorable to shareholders of the Company as a whole, provided that the above conditions of cash dividend distribution are satisfied, the Company may propose dividend distribution in shares. The Company's share dividend distribution shall not exceed the range of accumulated distributable profits.

4. Interval of profit distribution

The Company shall, in principle, distribute profits once a year, provided that the profit distribution conditions are satisfied. The Company will actively distribute dividends in cash if the conditions of cash dividend distribution are met. The board of directors of the Company may conditionally propose interim cash dividend distribution based on the actual operating conditions of the Company.

(III) Differentiated cash dividend distribution policies

If the Company meets the conditions for cash dividend distribution, the Company shall distribute dividends in cash; while implementing the aforementioned cash dividend distribution, the Company may also distribute dividends in shares.

The board of directors of the Company shall comprehensively consider its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, distinguish the following circumstances, and propose differentiated cash dividend distribution policies in accordance with the procedures set out in the Articles of Association:

1. Where the Company is in a developed stage with no substantial capital expenditure arrangement, the cash dividend distribution shall not be less than 80% of the total profit distribution when profits are distributed;
2. Where the Company is in a developed stage with substantial capital expenditure arrangement, the cash dividend distribution shall not be less than 40% of the total profit distribution when profits are distributed;
3. Where the Company is in a developing stage with substantial capital expenditure arrangement, the cash dividend distribution shall not be less than 20% of the total profit distribution when profits are distributed;
4. Where it is difficult to distinguish the Company's stage of development but there is significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the preceding provisions.

Article 163 The reserve fund of the Company can be used for making up for losses of the Company, expanding the Company's production and operation or increasing the registered capital of the Company.

Where the Company uses reserve funds to make up for its loss, the discretionary reserve fund and the statutory reserve fund shall be used at the first place; if the Company still fails to make up for the loss, it can use the capital reserve fund in accordance with the relevant provisions. Where there are other provisions prescribed by the laws or administrative regulations, such provisions shall prevail.

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

Article 164 The distribution of the dividends (or shares) shall be completed within two months after a resolution has been adopted on the profit distribution plan at the general meeting of the Company, or after the board of directors of the Company formulates a specific plan in accordance with the conditions and the cap of the interim dividend for the next year considered and approved at the annual general meeting.

Where otherwise provided by the laws, administrative regulations, or the securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

Article 165 The profits of the Company may be distributed in cash, by shares, a combination of cash and shares or in other manner permitted by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the shares of the Company are listed. Compared to share dividends, the Company shall give priority to cash dividends for profit distribution. Cash dividend policy is aimed at valuing the reasonable investment returns paid to the investors and benefiting the long-term development of the Company.

The Company may not distribute profits when any of the following situations occurs:

- (1) the Company plans to make or has actually incurred significant capital expenditure, including but not limited to R&D investment, plant construction, etc.;
- (2) the Company has decided not to distribute profits after taking into consideration of its own profit and financial conditions, operations, capital expenditures, subsequent development needs and other factors deemed relevant by the Company.

Article 166 The Company shall appoint receiving agents for the holders of overseas listed shares in Hong Kong. The receiving agents shall receive on behalf of such shareholders the dividends declared and all other payments payable by the Company in respect of their overseas listed shares and such payment shall be kept by the receiving agents on such shareholders' behalf for any payment to them.

The appointment of receiving agents by the Company shall be in compliance with the securities regulatory rules of the place where the shares of the Company are listed and the relevant requirements of the stock exchange. The receiving agents appointed by the Company for the holders of overseas listed shares in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Section 2 Internal Audit

Article 167 The Company shall have an internal audit system, arrange special auditors, and conduct the internal audit supervision of the financial incomes and expenditures and economic activities of the Company.

Article 168 The internal audit system of the Company and the responsibilities of auditors shall be implemented upon the approval of the board of directors. The principal of the audit department shall be accountable and report to the board of directors.

Section 3 Engagement of Accounting Firms

Article 169 The Company shall engage an accounting firm that is qualified under the Securities Law to audit its financial statements, verify its net assets, and provide other relevant consulting services. The accounting firm shall serve a term of one year and the engagement can be renewed.

Article 170 The engagement or dismissal of an accounting firm responsible for the Company's audit services shall be subject to the approval of the general meeting, prior to which the board of directors shall not appoint any accounting firm.

Article 171 The Company shall provide true and complete accounting vouchers, accounting books, financial statements and other accounting materials to the engaged accounting firm, without any refusal, concealment or misrepresentation.

Article 172 The auditing fee of the accounting firm shall be determined by the general meeting.

Article 173 When the Company dismisses or does not renew the engagement of an accounting firm, it shall give 15 days' advance notice to such accounting firm. The accounting firm may present its views when the dismissal of the accounting firm is voted at the general meeting of the Company.

If the accounting firm proposes to resign, it shall make a representation to the general meeting as to whether the Company has any irregularity.

CHAPTER 9 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 174 The notices of the Company shall be served as follows:

- (I) by hand;
- (II) by mail;
- (III) by announcement;
- (IV) by any other means as approved by the securities regulatory authorities of the place where the shares of the Company are listed or as specified in the Articles of Association.

Article 175 If a notice of the Company is served by announcement, the said notice shall be deemed as received by all the relevant persons once the said notice is announced. Where the securities regulatory rules of the place where the shares of the Company are listed have any other provisions, such provisions shall prevail.

Notwithstanding the requirements otherwise provided in the Articles of Association with respect to the form of issuance or notification of any documents, notices or other corporate communications, subject to laws, administrative regulations, departmental rules and the relevant provisions of the securities regulatory rules of the place where the shares of the Company are listed, the Company may elect to send or otherwise make available the relevant corporate communication to the relevant holders of its securities by electronic means, or issue its corporate communications by announcements on the websites designated by the Company and the stock exchange where the shares of the Company are listed in lieu of delivering its written documents to all of the holders of overseas listed shares by hand or prepaid mail. The aforementioned corporate communications shall refer to any documents issued or to be issued by the Company for the information or action of the shareholders, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), directors' reports (together with balance sheets and statements of profit or loss), notices of general meetings, circulars and other communication documents.

Article 176 If the notice of the Company is served by hand, the recipient or its agent shall affix signature (or seal) to the return on service and the signing date shall be the date of service; if the notice of the Company is served by mail, the third workday after handover to the post office shall be the date of service; if the notice of the Company is served by fax or email, the date on which the fax or email is successfully sent shall be the date of service; if the notice of the Company is served by announcement, the date of first announcement shall be the date of service.

Article 177 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 passed at the meeting.

Article 178 In the event that relevant rules of the securities regulatory authorities or the stock exchange of the place where the shares of the Company are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable laws and regulations and pursuant to the applicable laws and regulations.

Section 2 Announcement

Article 179 The Company shall designate the media that meet the requirements of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and the requirements of the securities regulatory authorities and relevant regulatory authorities of the place where the shares of the Company are listed and the stock exchange of the place where the shares of the Company are listed as the media for publication of the Company's announcements and other required disclosure of information.

The information disclosed by the Company in other public media shall not precede the disclosure in the designated newspapers and websites, and the announcement of the Company shall not be replaced by press release or press conference, or other forms.

CHAPTER 10 MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Decrease of Capital

Article 180 Merger of the Company may take place by absorption or by the establishment of a new company.

Absorption means a company absorbs another company and the absorbed company will be dissolved. Otherwise, two or more companies will combine together for the establishment of a new company, and the original companies will be dissolved.

Article 181 Where the Company merges with a company in which it holds more than 90% of the equity, the merged company is not subject to a resolution of the general meeting, but shall notify other shareholders, who have the right to request the Company to purchase its equity or shares at a reasonable price.

Where the amount paid for the company merger does not exceed 10% of the Company's net assets, it may not be subject to a resolution of the general meeting, except as otherwise provided in the Articles of Association.

Where the Company merges in accordance with the provisions of the preceding two Articles without a resolution of the general meeting, it is subject to a resolution of the board of directors.

Where there are other provisions prescribed by the laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

Article 182 The merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days since the date of the merger resolution and shall publish an announcement within 30 days since the date of the merger resolution.

The creditors shall, within 30 days after receipt of notice or, if the creditors have not received such notice, within 45 days of the announcement of any merger, be entitled to demand the Company to repay in full or to provide a guarantee.

Article 183 Upon merger, the claims and debts of each of the merged parties shall be assumed by the surviving party or the newly established company.

Article 184 Where there is a division of the Company, its assets shall be divided accordingly.

The parties to the division shall prepare their respective balance sheet and inventory of assets. The Company shall notify its creditors within 10 days of the date of the division resolution and shall publish an announcement within 30 days of the date of the division resolution.

Article 185 Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before division, liabilities of the Company prior to the division shall be jointly assumed by surviving companies after division.

Article 186 Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital made at the general meeting and shall publish an announcement within 30 days from the date of such resolution. A creditor has the right within 30 days of receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

The registered capital of the Company after reduction shall not be less than the statutory minimum amount. When the Company reduces its registered capital, its shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise stipulated in the laws or the Articles of Association.

Article 187 Where the Company still has losses after making up for its losses in accordance with the provision of the paragraph 2 of the Article 163 of the Articles of Association, it may reduce its registered capital to make up for such losses. If the Company reduces its registered capital to make up for the losses, it shall not make distribution to the shareholders, nor shall the shareholders be exempt from the obligation to pay the shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraphs, the provision of the paragraph 2 of the preceding article shall not be applicable, and an announcement shall be made within 30 days from the date when a resolution about reducing the registered capital is made at the general meeting.

After the reduction of registered capital by the Company in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund has reached 50% of the registered capital of the Company.

Article 188 Where the Company reduces its registered capital by violating the provisions of the Company Law or the Articles of Association, the shareholders shall return such funds they received, and reduction or exempt in capital contributions of the shareholders shall be restored to the original status; if losses are caused to the Company, the shareholders and the directors, supervisors and senior management in charge shall be liable for compensation.

Article 189 The Company shall, in accordance with the law, apply for change in its registration with the company registration authority in the event of any change in any particulars in its registration as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the law. Where a new company is established, the Company shall apply for registration thereof in accordance with the law.

If the Company increases or reduces its registered capital, the Company shall, in accordance with the law, apply for change of registration with the company registration authority.

Section 2 Dissolution and Liquidation

Article 190 The Company shall be dissolved for any of the following reasons:

- (I) the expiration of the business period or the occurrence of other reasons for dissolution specified in the Articles of Association;
- (II) the general meeting adopts a resolution to dissolve the Company;
- (III) dissolution is required due to the merger or division of the Company;
- (IV) the Company's business license is revoked, or it is ordered to close down or wind up in accordance with laws;

- (V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial losses to the interests of shareholders, and no solution can be found through any other channel, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

Where the reasons for dissolution specified in the preceding paragraph occur, the Company shall announce such reason within 10 days.

Article 191 Where the circumstances of items (I) and (II) of the paragraph 1 of the preceding article occur, and the Company has not yet distributed any property to its shareholders, it may subsist by amending the Articles of Association or by a resolution of the general meeting.

The amendments to the Articles of Association pursuant to the preceding paragraph or the resolutions of the general meeting shall be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting.

Article 192 If the Company is dissolved under items (I), (II), (IV) and (V) of first paragraph of Article 190 in the Articles of Association, it shall be liquidated. The directors are the obligors of the liquidation of the Company and shall establish a liquidation group within 15 days from the date of the cause of dissolution occurred to carry out the liquidation.

The liquidation group shall be composed of directors, except as otherwise provided in the Articles of Association or otherwise elected by the general meeting.

Where the liquidation obligator fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

Article 193 The Company shall be liquidated in accordance with the provisions of the paragraph 1 of the preceding article. If a liquidation group is not established within the prescribed time limit or fails to carry out the liquidation after its establishment, the stakeholders may apply to the People's Court to designate the relevant personnel to form a liquidation group to conduct liquidation. The People's Court shall accept such application and organize the liquidation group to conduct liquidation in a timely manner.

Where the Company is dissolved due to the item (IV) of paragraph 1 of the Article 190 of the Articles of Association, the department or the registration authority that made the decision to revoke the business license, order to close down or wind up may apply to the People's Court to designate the relevant personnel to form a liquidation group to carry out liquidation.

Article 194 The liquidation group shall perform the following duties during the liquidation:

- (I) to check the assets of the Company and prepare a balance sheet and a checklist of assets;
- (II) to notify the creditors by notice or announcement;
- (III) to deal with the outstanding affairs of the Company in connection with liquidation;
- (IV) to settle outstanding taxes and taxes arising in the course of liquidation;
- (V) to settle all creditors' rights and debts;
- (VI) to allocate the residual assets of the Company after the settlement of debts;
- (VII) to represent the Company in any civil proceedings.

Article 195 The liquidation group shall notify the creditors within 10 days from the date of the establishment and publish an announcement within 60 days of its establishment. The creditors shall report their claims to the liquidation group within 30 days after receiving the notice, or within 45 days from the date of the announcement if they do not receive the notice.

Creditors declaring their creditors' rights shall state the relevant information relating to the creditors' rights and provide supporting materials. The liquidation group shall register the creditors' rights.

The liquidation group shall not repay any debts of the Company during the period for declaration of creditors' rights.

Article 196 After sorting the Company's assets and preparing the balance sheet and checklist of assets, the liquidation group shall prepare a liquidation plan and submit the plan to the general meeting or the People's Court for confirmation.

The remaining assets of the Company after payment of liquidation expenses, staff wages, social insurance contribution, statutory compensation, outstanding taxes and debts of the Company shall be distributed to shareholders according to the proportions of their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any operation activities not relating to liquidation. The Company's assets shall not be distributed to the shareholders before repayment of the Company's debts in full in accordance with the preceding paragraph.

Article 197 After checking the assets of the Company and preparing the balance sheet and checklist of assets, if the liquidation group discovers that the Company does not have sufficient assets to settle its debts, the liquidation group shall immediately apply a bankruptcy liquidation to the People's Court.

After the People's Court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the People's Court.

Article 198 Upon the completion of the liquidation, the liquidation group shall prepare a liquidation report, report it to the general meeting or the People's Court for confirmation and submit it to the company registration authority to apply for deregistration of the Company and announce the termination of the Company.

Article 199 Members of the liquidation group are required to discharge their duties honestly, fulfill their obligations of liquidation according to laws and have fiduciary duties and duties of diligence.

Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating properties of the Company.

A member of the liquidation group is liable to indemnify the Company for causing loss to the Company resulting from his/her negligence in performing his/her duties in liquidation; a member of the liquidation group is liable to indemnify its creditors in respect of any loss arising from his/her intentional or gross negligence.

Article 200 Where the Company is declared bankrupt according to laws, the Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 201 Amendments shall be made to the Articles of Association by the Company in any of the following circumstances:

- (I) after an amendment of the Company Law, relevant laws, administrative regulations or the Hong Kong Listing Rules, and there is any conflict between the provisions of the Articles of Association and those of the amended laws, administrative regulations or the Hong Kong Listing Rules;

(II) there are changes in the particulars of the Company which are different from that set out in the Articles of Association;

(III) a resolution of the general meeting is passed to amend the Articles of Association.

Article 202 Amendments to the Articles of Association adopted by a resolution of the general meeting which are subject to approvals from relevant competent authority shall be submitted to the competent authority for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with laws.

Article 203 The board of directors shall amend the Articles of Association in accordance with the resolution of the general meeting for amendments to the Articles of Association and the review opinions (if any) from the relevant competent authority.

Article 204 Where amendments to the Articles of Association involve information to be disclosed as required by laws, administrative regulations or the Hong Kong Listing Rules, the Company shall publish an announcement in accordance with the provisions.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 205 Definitions:

- (I) the “controlling shareholder” refers to the shareholder whose ordinary shareholdings represent more than 50% of the total share capital of the Company, or the shareholder whose shareholdings represent less than 50% but the voting rights attached thereto are sufficient to materially affect the resolutions of the general meeting. Where there are other provisions stipulated by the securities regulatory rules of the place where the shares of the Company are listed in respect of the definition of the controlling shareholder, such provisions shall prevail.
- (II) the “de facto controller” refers to anyone who can actually control the actions of the Company through investment relationships, agreements or any other arrangements.
- (III) the “connected relationships” and “connected transactions” have the meanings ascribed to them in the Hong Kong Listing Rules.

Article 206 The Articles of Association is prepared in Chinese. In case of any inconsistency between the Chinese version and the Articles of Association in any other language or of different version, the Chinese version shall prevail.

Article 207 The terms “more than” and “within”, as stated in the Articles of Association shall all include the given figure; the terms, “lower”, “above”, “over”, “excess”, “less than” shall all exclude the given figure.

Article 208 The Articles of Association shall be subject to interpretation by the board of directors of the Company.

Article 209 Matters not covered in the Articles of Association shall be handled in accordance with the laws, administrative regulations and the relevant provisions of the securities regulatory rules of the place where the shares of the Company are listed in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, administrative regulations, other provisions of the normative documents and the securities regulatory rules of the place where the shares of the Company are listed, such laws, administrative regulations, other provisions of the normative documents and the securities regulatory rules of the place where the shares of the Company are listed shall prevail.

Article 210 Appendixes to the Articles of Association include the rules of procedure for the general meeting, the rules of procedure for board meetings and the rules of procedure for meetings of the supervisory committee.

Article 211 After adoption by special resolution at the general meeting of the Company, the Articles of Association shall take effect and come into force from the date on which H Shares publicly issued by the Company are listed on the Main Board of the Hong Kong Stock Exchange. Since the effective date of the Articles of Association, the original articles of association of the Company shall be automatically invalidated.