

Lemo Services Co., Ltd

Articles of Association (Draft)

(Applicable after the issuance and listing of H Shares)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to safeguard the legitimate rights and interests of Lemo Services Co., Ltd (the “Company”), the shareholders, employees and creditors, to regulate the organization and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), the Securities Law of the People’s Republic of China (中華人民共和國證券法) (the “Securities Law”), the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “Trial Measures”), the Guidelines for Articles of Association of Listed Companies (上市公司章程指引), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant regulations.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law and other relevant regulations. The Company was established through the comprehensive restructuring of the former Fujian Lemo IoT Technology Co., Ltd (福建樂摩物聯科技有限公司), with all of its original shareholders jointly serving as the promoters. The Company was registered with the Pingtan Comprehensive Experimental Zone Market Supervision Administration to obtain its business license with the Unified Social Credit Code of 91350100399572827L.

Article 3 Upon the filing with the China Securities Regulatory Commission (the “CSRC”) on 23 September 2025, the Company issued [•] overseas listed shares (the “H Shares”) in Hong Kong. Such H Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on [•].

Article 4 Registered name of the Company:

Chinese name: 樂摩科技服務股份有限公司

English name: Lemo Services Co., Ltd

Address of the Company: Area C-2, 5F, Building 17, Taiwan Entrepreneurship Park, Jinjing Second Road, Beicuo Town, Pingtan Comprehensive Experimental Zone

Article 5 The registered capital of the Company is RMB50 million.

Article 6 The Company is a joint stock limited company with perpetual existence and has the status of an independent legal person.

Article 7 The director representing the Company in executing corporate affairs is the legal representative of the Company. If the director acting as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative.

Civil activities carried out by the legal representative in the name of the Company, their legal consequences of which shall be borne by the Company. If the legal representative causes damage to others in the performance of his/her duties, the Company shall bear civil liability. After the Company bears civil liability, it may seek recourse against the legal representative who is at fault in accordance with the provisions of laws or the Articles of Association.

Article 8 All assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

Article 9 From the effective date of the Articles of Association, the Articles of Association shall be a legally binding document which regulates the Company's organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall be a legally binding document governing on the Company, its shareholders, directors, supervisors, and senior management members. All the above persons may make claims for alleged rights in connection with the Company's affairs in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder may take legal actions against the other shareholders; a shareholder may take legal actions against the Company's directors, supervisors, general manager and other senior management members; a shareholder may take legal actions against the Company; and the Company may take legal actions against its shareholders, directors, supervisors, general manager and other senior management members.

The legal actions referred to in the preceding article shall include the initiation of proceedings in a court or the application of arbitration to an arbitration organization.

Article 10 Senior management members referred to in the Articles of Association shall be the general manager, vice general manager, chief financial officer and Board secretary of the Company.

Article 11 To the extent permitted by laws and regulations, the Company may invest in other enterprises, and its liability towards such enterprises in which it invests shall be limited to the extent of the amount of capital contributions it has made. Except as otherwise provided for by laws, the Company shall not be the capital contributor that assumes joint and several liability for the debts of the enterprises in which it invests.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 12 The business objectives of the Company: complying with national laws, regulations, regulatory documents and policies, following market rules, establishing and improving an operation mode suitable for the Company's development, making full use of resources, attaching importance to scientific and technological progress and talent cultivation, creating economic benefits and assuming corresponding social responsibilities to maximize the interests of shareholders and the value of the Company.

Article 13 The business scopes of the Company is as follows: general items: information systems integration services; research and development of Internet of Things technology; Internet of Things technology services; Internet of Things application services; software development; technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; research and development of appliances; manufacturing of appliances; manufacturing of sports goods and equipment; manufacturing of mechanical and electrical equipment; wholesale of sports goods and equipment; sales of appliances; retail of sporting goods and equipment; sales of electronic products; Internet sales (except for sales of goods requiring a license); leasing services (excluding licensed leasing services); daily life services; health care services (non-medical); conference and exhibition services; advertising design and agency; advertising production; advertising distribution; import and export of goods; import and export of technology. (Except for items subject to approval according to law, business activities shall be carried out independently according to law with a business license).

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 14 The stocks of the Company shall take the form of registered shares. Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of members may, if his/her share certificates (the “Original Share Certificate”) are lost, apply to the Company for replacement of the share certificates in respect of such shares (the “Relevant Shares”). If a holder of H Shares of the Company loses his/her share certificates and applies for replacement, it may be dealt with in accordance with relevant laws, rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas-listed H Shares is maintained.

Article 15 The shares of the Company shall be issued in accordance with the principles of equitability, fairness and openness. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any subscriber subscribing for shares shall pay the same price per share.

Article 16 The nominal value of shares issued by the Company is denominated in RMB. All shares of the Company are issued with a par value of RMB1 each.

Article 17 The H Shares issued by the Company shall primarily be deposited in the custodian company of the Hong Kong Securities Clearing Company Limited in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed, or may also be held by shareholders in their own names. Upon the filing with the CSRS and the consent of the Hong Kong Stock Exchange, all or part of the domestic shares of the Company may be converted into overseas listed shares. Such converted overseas listed shares may be listed and traded on overseas stock exchanges. Such converted shares listed and traded on overseas stock exchanges shall further comply with the regulatory procedures, rules and requirements of the overseas securities market.

Article 18 The Company was established by way of promotion by 11 promoters including Xie Zhonghui, Han Daohu, Wu Jinghua and Li Jianzheng. All the promoters invested in the Company with the shares converted from the net assets of Fujian Lemo IoT Technology Co., Ltd held by them. The number of shares issued to the promoters and their shareholding percentages at the time of the establishment of the Company are as follows:

Promoter	Number of shares held (0'000)	Shareholding percentage	Way of capital contribution	Amount of the first capital contribution (RMB0'000)	Date of the first capital contribution	Amount of the second capital contribution (RMB0'000)	Date of the second capital contribution
Xie Zhonghui	1148.7769	22.9755%	net assets	251.68	2017.05.30	1148.7769	2024.08.28
Han Daohu	876.2254	17.5245%	net assets	191.968	2017.06.02	876.2254	2024.08.28
Wu Jinghua	758.2439	15.1649%	net assets	166.12	2020.12.21	758.2439	2024.08.28
Li Jianzheng	527.2196	10.5444%	net assets	115.506	2017.06.02	527.2196	2024.08.28

Promoter	Number of shares held (0'000)	Shareholding percentage	Way of capital contribution	Amount of the first capital contribution (RMB0'000)	Date of the first capital contribution	Amount of the second capital contribution (RMB0'000)	Date of the second capital contribution
Pingtian Zhangchuang Gongying Future Investment Partnership Enterprise (LLP)	469.3791	9.3876%	net assets	102.834	2017.06.08	469.3791	2024.08.28
Pan Jianzhong	335.9424	6.7189%	net assets	73.6	2017.05.27	335.9424	2024.08.28
Li Bin	253.3809	5.0676%	net assets	55.512	2017.05.25	253.3809	2024.08.28
Feng Baocai	195.2665	3.9053%	net assets	42.78	2017.05.31	195.2665	2024.08.28
Pingtian Lemo Gongchuang Investment Partnership Enterprise (LLP)	189.7910	3.7958%	net assets	41.5804	2021.12.31	189.7910	2024.08.28
Ma'anshan Cornerstone Yixiang Equity Investment Partnership Enterprise (LLP)	130.4123	2.6083%	net assets	28.5714	2017.12.22	130.4123	2024.08.28
Pingtian Lemo Gongying Investment Partnership Enterprise (LLP)	115.3620	2.3072%	net assets	25.2741	2023.12.31	115.3620	2024.08.28

Article 19 Upon the completion of the initial public offering of H Shares, assuming the Over-allotment option is not exercised, the share capital structure of the Company as at the date of its listing on The Stock Exchange of Hong Kong Limited is: [•] ordinary shares. If the Over-allotment option is fully exercised, the share capital structure of the Company is: [•] ordinary shares.

Article 20 The Company or its subsidiaries (including the Company's affiliated enterprises) shall not provide any assistance in the form of gifts, advances, guarantees, compensation or loans and other forms to purchasers or prospective purchasers of shares of the Company, except for the implementation of the Company's employee stock ownership plans.

For the interests of the Company, upon a resolution of the shareholders' meeting, or a resolution of the board of directors in accordance with the Articles of Association and the authorization of the shareholders' meeting, the Company may provide financial assistance to other persons for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the board of directors shall be approved by more than two-thirds of all directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible directors, supervisors and senior management members shall be liable for the compensation.

The Company's controlled subsidiaries are not allowed to acquire the Company's shares. If a controlled subsidiary of the Company holds shares of the Company due to the merger of the Company, the exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares it holds, and shall dispose of the shares of the Company in a timely manner.

Section 2 Increase, Decrease and Repurchase of Shares

Article 21 According to its operation and development needs, subject to the laws and regulations, the Company may increase the capital by the following ways upon approval of resolutions at the shareholders' meeting:

- (1) public issuance of shares;
- (2) non-public issuance of shares;
- (3) distribution of bonus shares to existing shareholders;
- (4) conversion of capital reserve to share capital;
- (5) other means stipulated by laws and administrative regulations and approved by relevant regulatory bodies such as the state council department in charge of securities or the supervisory and authorities of the place where the Company's shares are listed.

The shareholders' meeting may authorize the board of directors to decide to issue not exceeding 50% of the issued shares within three years. However, a resolution of the shareholders' meeting shall be required in the case of capital contributions in the form of non-monetary property. If the board of directors decides to issue shares in accordance with the authorization, resulting in a change in the Company's registered capital or the number of issued shares, the modification of such matters recorded in the Articles of Association shall not be subject to a vote at the shareholders' meeting.

If the shareholders' meeting authorises the board of directors to decide on the issuance of new shares, the resolution of the board of directors shall be adopted by more than two thirds of all the directors.

Article 22 The Company may reduce its registered capital. Any reduction of registered capital shall be handled in accordance with the Company Law and other relevant provisions and the procedures set forth in these Articles of Association.

Article 23 The Company shall not repurchase its own shares, unless otherwise under the circumstances:

- (1) reducing the Company's registered capital;
- (2) merging with other companies holding the Company's shares;
- (3) using the shares as an employee stock ownership plan or equity incentive plan;
- (4) purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;
- (5) use of shares for conversion of convertible corporate bonds issued by the Company;
- (6) necessary for the Company to maintain its value and protect the interests of the shareholders;
- (7) other circumstances permitted by laws, administrative regulations, and regulatory rules of the place where the company's shares are listed.

Article 24 The Company may repurchase its shares by ways of open centralized trading or offer, or other ways recognized by laws, administrative regulations, the CSRC and stock exchanges of the place where the Company's shares are listed.

In case of the circumstances stipulated in (3), (5), and (6) of the first paragraph of Article 23 of the Articles of Association, the Company shall repurchase its shares by ways of open centralized trading or offer.

Article 25 A resolution shall be passed at the shareholders' meeting when the Company is to repurchase its own shares under the circumstances stipulated in (1) and (2) of the first paragraph of Article 23 of the Articles of Association. Where the Company is to repurchase its own shares under the circumstances stipulated in (3), (5) and (6) of the first paragraph of Article 23 of the Articles of Association, a resolution shall be passed by more than two-thirds of the directors attending the board meeting, provided that it complies with the Articles of Association or the authorization of shareholders' meeting. Where the shareholders' meeting of the Company authorizes the board of directors to repurchase the shares, the specific circumstances under which such share repurchases may be executed and the duration of the authorization shall be clearly specified in both the authorization proposal and the resolution to be submitted to the shareholders' meeting for consideration.

After the acquisition of the Company's shares, the Company shall fulfill its disclosure obligations in accordance with the provisions of the Securities Law, regulations of the securities exchange where the company's stock is listed, and other securities regulatory rules.

After the Company has repurchased its own shares in accordance with the first paragraph of Article 23, the shares so repurchased shall be canceled within ten days from the date of the repurchase under the circumstances set out in (1), or shall be transferred or canceled within six months under the circumstances set out in (2) and (4). The total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years if the Company repurchases its own shares under the circumstances set out in (3), (5) and (6).

If laws, administrative regulations, the requirements of the stock exchange where the Company's share are listed and other securities regulatory rules have additional provisions regarding relevant matters involved in the share repurchase above, such provisions shall prevail.

Section 3 Transfer of Shares

Article 26 Shares of the Company may be transferred according to laws.

All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the board of directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the board of directors may designate from time to time.

Article 27 The Company shall not accept its own shares as the subject of pledge.

Article 28 Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The directors, supervisors and senior management members of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The shares transferrable by them during each year of their tenures shall not exceed 25% of their total holdings of shares in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company. Where the relevant provisions of securities regulatory authorities of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of overseas listed shares, such provisions shall prevail.

If the shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted transfer period.

Article 29 Any gains from sale of Company's shares or other securities with an equity nature by the directors, supervisors and senior management members or shareholders holding more than 5% of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after sale of the same shall be owned by the Company, and the board of directors will recover such gains from the abovementioned parties. However, securities companies holding 5% or more of the shares after purchasing the remaining shares upon public offering due to underwriting, recognized clearing house and its nominees (including Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited) holding 5% or more of the shares and other circumstances stipulated by the CSRC and the regulatory rules of the place where the Company's shares are listed are exempt from such requirement.

The shares or other securities with an equity nature held by directors, supervisors, senior management members and natural person shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents and children and held under accounts of any other persons.

If the board of directors of the Company fails to comply with the requirements under the first paragraph in this Article, the shareholders shall have the right to request the board of directors to do so within thirty days. If the board of directors fails to do so within the aforesaid period, the shareholders shall have the right to institute legal proceedings directly with the People's Court in their own names for the benefit of the Company.

If the board of directors of the Company fails to comply with the requirements under the first paragraph of this Article, the directors liable shall assume joint liabilities pursuant to the laws.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 Shareholders

Article 30 The Company shall establish a register of shareholders based on the certificates provided by the securities registration authority and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. The Company shall ensure that the original register of shareholders of overseas listed foreign shares shall be available for inspection by shareholders without charge during business hours of appointed overseas agencies, but the Company may suspend the registration of shareholders in accordance with provisions equivalent to section 632 of the Companies Ordinance of the Hong Kong. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The original copy of the register of H shareholders listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders.

Article 31 When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other activities that require the verification of shareholders' identities, the board of directors or the convener of the shareholders' meeting shall determine the shareholding registration date. Shareholders whose names appear on the register of shareholders at the close of business on the shareholding registration date shall be the shareholders enjoying the relevant rights.

Article 32 Shareholders of the Company enjoy the following rights:

- (1) to receive dividends and other forms of interest distributions in proportion to the shares they hold;
- (2) to file a petition of, to convene, hold and attend the shareholders' meetings either in person or by proxy and exercise their corresponding speaking right and voting right according to laws;
- (3) to supervise, present suggestions on or make inquiries about the business operations of the Company;

- (4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;
- (5) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board meetings, resolutions of the meetings of board of supervisors, financial and accounting reports;
- (6) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (7) to request the Company to purchase their shares for the shareholders who object to the Company's resolution on merger or division made by the shareholders' meetings;
- (8) the shareholders who separately or aggregately hold 3% or more of the Company's shares for 180 consecutive days or more may request to consult the accounting books or accounting vouchers of the Company;
- (9) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 33 Where shareholders request for inspection of the relevant information as mentioned in the preceding Article or request any materials, they shall provide the Company with written documents evidencing the class and number of shares of the Company held by them. Upon verification of the shareholders' identities, the Company shall provide information as requested by such shareholders.

Article 34 In the event that any resolution of the shareholders' meeting or resolution of the board of directors violates laws or administrative regulations, the shareholder is entitled to request the People's Court to deem it as invalid.

In the event that the convening procedure or voting method of the shareholders' meeting or the Board meeting violates any of laws, administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted, except where there are only some minor defects in the convening procedures or the voting method of the shareholders' meeting or the meeting of the board of directors, which do not materially affect the resolution.

Any shareholders who have not been notified to attend the shareholders' meeting may, within 60 days from the date when they know or ought to know that the resolution of the shareholders' meeting had been made, request the People's Court to overturn the resolution. If the right of revocation has not been exercised within one year from the date when the resolution was made, it shall be extinguished.

Article 35 Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management members in the course of performing their duties, shareholders individually or jointly holding more than 1% of shares of the Company for over 180 consecutive days shall have the right to request the board of supervisors in writing to initiate legal proceedings with the People's Court; where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by the board of supervisors in the course of performing its duties, the aforesaid shareholders shall have the right to request the board of directors in writing to initiate legal proceedings with the People's Court.

In the event that the board of supervisors or the board of directors refuses to initiate legal proceedings upon receipt of the aforesaid shareholders' written request, or fails to initiate legal proceedings within thirty days upon receipt thereof, or in case of emergency or in the event that the failure to immediately initiate legal proceedings will incur irrecoverable damage to the interests of the Company, the shareholders mentioned in the preceding paragraph shall have rights to, in their own names, directly initiate legal proceedings with the People's Court for the interests of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders mentioned in the first paragraph of this Article may initiate legal proceedings with the People's Court according to the provisions of the preceding two paragraphs.

In the event that the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors, supervisors and senior management members of the wholly-owned subsidiaries of the Company in the course of performing their duties, or in the event that any other person infringes upon the legitimate rights and interests of the wholly-owned subsidiaries of the Company and causes losses thereto, shareholders individually or jointly holding more than 1% of shares of the Company for over 180 consecutive days may request the board of supervisors and the board of directors of such wholly-owned subsidiaries in writing to initiate legal proceedings with the People's Court or directly initiate legal proceedings with the People's Court in their own names according to the provisions of the preceding three paragraphs.

Article 36 In the event of directors or senior management members violate the laws, administrative regulations or the Articles of Association, which causes damage to the interests of shareholders, the shareholders may initiate legal proceedings with the People's Court.

Article 37 Shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw the shares unless required by the laws and administrative regulations;

- (4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company; where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws.
- (5) other obligations imposed by the laws, administrative regulations, department rules, regulatory documents, the listing rules of stock exchanges of the place where the Company's shares are listed and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Where a shareholder carries out the acts specified in the preceding paragraph through two or more companies under his/her/its control, each company shall be jointly and severally liable for the debts owed by any of the company.

Article 38 Where any shareholder holding more than 5% of the voting shares of the Company pledges the shares held by him/her/it, the shareholder shall submit a written report to the Company on the date of such event.

Article 39 Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his/her/its related relationship. Anyone who violates this Article and causes any loss to the Company shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company who instruct directors and senior management members to engage in acts detrimental to the interests of the Company or its shareholders shall be jointly and severally liable with such directors and senior management members.

The controlling shareholders and de facto controllers of the Company shall act in good faith towards the Company and the general public shareholders of the Company. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholders shall not jeopardize the legitimate rights and interests of the Company and the general public shareholders of the Company by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not jeopardize the interests of the Company and the general public shareholders of the Company by exploiting their controlling positions.

Section 2 General Provisions for Shareholders' Meetings

Article 40 The shareholders' meeting is the organ of authority of the Company, which exercises the following functions and powers in accordance with laws:

- (I) to elect or replace the directors and supervisors (other than the employee representatives) and to decide on matters relating to the remuneration of directors and supervisors;
- (II) to examine and approve reports of the board of directors;
- (III) to examine and approve reports of the board of supervisors;
- (IV) to examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (V) to resolve on any increase or decrease of the Company's registered capital;
- (VI) to resolve on the issue of corporate bonds by the Company;
- (VII) to resolve on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (VIII) to amend the Articles of Association;
- (IX) to resolve on appointment and dismissal of an accounting firm by the Company;
- (X) to examine and approve the provision of guarantees stipulated in Article 41;
- (XI) to examine matters relating to the purchases and disposals of material assets of the Company (including controlled subsidiaries) within one year, which exceed 30% of the latest audited total assets of the Company;
- (XII) to examine and approve matters relating to changes in the use of proceeds;
- (XIII) to examine and approve the equity incentive plans and employee stock ownership plans;
- (XIV) to examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, which shall be decided by the shareholders' meeting.

Article 41 The following external guarantees of the Company (including controlled subsidiaries) are subject to the consideration and approval by the shareholders' meeting.

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded 50% of the latest audited net assets of the Company;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded 30% of the latest audited total assets of the Company;
- (III) the cumulative guarantee amount of the Company within one year has exceeded 30% of the latest audited total assets of the Company;
- (IV) a guarantee provided to a party with an asset-liability ratio of over 70%;
- (V) a single guarantee that exceeds 10% of the latest audited net assets of the Company;
- (VI) the guarantee to be provided to shareholders, beneficial controllers and their related (connected) parties;
- (VII) other guarantees required by the laws, regulations, normative documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

In the event of any loss to the Company due to the violation of the approval authority and review procedures for the provision of external guarantees, the relevant directors, senior management members and other responsible entities shall be liable for damages in accordance with the law.

Article 42 Shareholders' meetings are divided into annual meetings and extraordinary meetings. The annual meeting is convened once a year and shall be held within six months after the end of the previous accounting year.

Article 43 The Company shall convene an extraordinary meeting within two months from the date of the occurrence of any of the following circumstances:

- (I) where the number of directors is less than the number provided for in the Company Law or two-thirds of the number prescribed in the Articles of Association;
- (II) where the losses of the Company that have not been made up reach one-third of its total share capital;
- (III) where it is requested by a shareholder alone or shareholders together holding more than 10 percent of the Company's shares (on a one vote per share basis);
- (IV) the board of directors considers it necessary;

- (V) the board of supervisors proposes that such a meeting shall be held;
- (VI) other circumstances conferred by the laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If an extraordinary meeting is convened in accordance with the provisions of the securities regulatory rules for the company's stock listing, the actual convening date of the extraordinary meeting may be adjusted based on the approval progress of the securities exchange where the company's stock is listed.

Article 44 The shareholders' meeting of the Company shall be held at the domicile of the Company or such other places specified in the notice of the shareholders' meeting.

The shareholders' meeting shall set up a venue and be held in the form of an on-site meeting. The Company will also provide online voting or through other means recognized or required by relevant securities regulatory authorities to facilitate shareholders' participation in shareholders' meetings. Shareholders who participate the shareholders' meeting through aforesaid means shall be deemed as present at the meeting.

If the Company convenes a shareholders' meeting using online voting, it shall provide shareholders with a secure, economical, and convenient online voting system for the shareholders' meeting. Investors who have undergone identity verification through the online voting system of the shareholders' meeting can confirm their legitimate and valid shareholder status, possessing lawful and effective voting rights. If the Company holds a shareholders' meeting and votes by other means recognized or required by the securities regulatory authorities, the identity of the shareholders shall be confirmed in accordance with relevant business rules.

After the notice of the shareholders' meeting is issued, the venue of the on-site meeting of the shareholders' meeting shall not be changed without valid reasons. If it is necessary to change, the convener shall make an announcement and explain the reasons at least 2 working days before the on-site meeting.

Article 45 When the Company convenes a shareholders' meeting, a solicitor (if necessary) may be engaged to provide legal advice and make announcement on the following issues:

- (I) whether the procedures for convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;
- (II) whether the eligibility of persons attending the meeting and the qualification of the convener are lawful and valid;
- (III) whether the voting process and voting results are lawful and valid;
- (IV) legal advice provided on other issues at the request of the Company.

Section 3 Convening of Shareholders' Meetings

Article 46 The board of directors is responsible for convening the shareholders' meeting.

Independent non-executive directors shall have the right to propose to the board of directors to hold an extraordinary meeting. Regarding the proposal of the independent non-executive directors to convene an extraordinary meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within ten days after receiving the proposal.

Where the board of directors agrees to convene an extraordinary meeting, it shall issue a notice of convening the extraordinary meeting within five days after the resolution of the board of directors is made. Where the board of directors does not agree to convene an extraordinary meeting, it shall give the reasons and publish an announcement.

Article 47 The board of supervisors shall have the right to propose to the board of directors to hold an extraordinary meeting, and shall make a written request to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within ten days after receiving the proposal.

Where the board of directors agrees to convene an extraordinary meeting, it shall issue a notice of convening the extraordinary meeting within five days after the resolution of the board of directors is made, and changes to the original request in the notice shall be subject to the consent of the board of supervisors.

Where the board of directors does not agree to convene an extraordinary meeting, or fails to give feedback within ten days after receiving the proposal, it shall be deemed that the board of supervisors is unable to perform or fails to perform the duty of convening the extraordinary meeting, and the board of supervisors may convene and preside over it on their own.

Article 48 Shareholders who individually or collectively hold more than 10% of the shares of the Company (on a one vote per share basis) shall have the right to request the board of directors to convene an extraordinary meeting, and shall submit such request in writing to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback on whether or not to convene the extraordinary meeting within 10 days after receiving the writing request.

Where the board of directors agrees to convene an extraordinary meeting, it shall issue a notice of convening the extraordinary meeting within five days after the resolution of the board of directors is made, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the board of directors does not agree to convene an extraordinary meeting, or fails to give feedback within ten days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the board of supervisors to hold an extraordinary meeting, and shall make a written request to the board of supervisors.

Where the board of supervisors agrees to convene an extraordinary meeting, it shall issue a notice of convening the extraordinary meeting within five days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the board of supervisors fails to issue a notice of the extraordinary meeting within the prescribed time limit, it shall be deemed that the board of supervisors has not convened and presided over the meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

Article 49 Where the board of supervisors or shareholders decide to convene a shareholders' meeting by themselves, they shall notify the board of directors in writing and file with the stock exchange where the Company's shares are listed at the same time.

Prior to the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

The board of supervisors or the convening shareholders shall submit relevant supporting materials to the stock exchange where the Company's shares are listed when issuing the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting.

Article 50 The board of directors and the secretary to the board of directors shall support the shareholders' meeting convened by the board of supervisors or the shareholders themselves. The board of directors shall provide a register of shareholders on the date of shareholding registration.

Article 51 For the shareholders' meeting convened by the board of supervisors or the shareholders themselves, the expenses necessary for the meeting shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' Meetings

Article 52 The contents of the proposals shall fall within the functions and powers of the shareholders' meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with relevant requirements of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 53 Where the Company convenes a shareholders' meeting, the board of directors, the board of supervisors and shareholders who individually or jointly hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener ten days prior to the convening of the shareholders' meeting. The interim proposal shall contain a clear discussion topic and specific matters to be resolved. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal, and announce the contents of the interim proposal. However, this shall not apply if the interim proposal violates laws, administrative regulations, or the provisions of the Articles of Association, or falls outside the scope of functions and powers of the shareholders' meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of shareholders' meeting or add any new proposal after the said notice announcement is served.

Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with the requirements specified in the Articles of Association shall not be voted and resolved at the shareholders' meeting and become resolutions.

Article 54 The convener shall notify each shareholder by way of announcement twenty-one days prior to the convening of the annual meeting, and each shareholder shall be notified by way of announcement fifteen days prior to the convening of the extraordinary meeting. The above time limit does not include the date of the meeting. Where it is otherwise provided for in any law, regulation or the security regulatory authorities of the place where the Company's shares are listed, such provisions shall prevail.

Article 55 The notice of a shareholders' meeting shall include the following:

- (I) the time, place and duration of the meeting;
- (II) matters and proposals submitted to the meeting for consideration;
- (III) in plain language: all shareholders have the right to attend the shareholders' meeting, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company. A shareholder who has appointed a proxy to attend any meeting shall be deemed to be present in person;
- (IV) other matters required to be set out by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association.

Article 56 In the event that matters involving the election of directors and supervisors are to be considered at the shareholders' meeting, the notice of such shareholders' meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which shall at least include the following:

- (I) personal particulars including education background, working experience and any part-time job, especially regarding work particulars relating to the controlling shareholders, de facto controller, and other entities;
- (II) whether there is any related (connected) relationship with the Company, controlling shareholders and de facto controller, shareholders holding more than 5% of the Company's shares, and other directors, supervisors, and senior management members of the Company;
- (III) disclosure of the shareholdings in the Company;
- (IV) whether or not they have been penalized by CSRC and other relevant authorities and the stock exchange;

- (V) whether any circumstances under which the candidate may not be appointed as a director or supervisor exists in accordance with the Company Law and other laws and regulations or as stipulated by the regulatory rules;
- (VI) information on the appointment, re-appointment or transfer of directors or supervisors to be disclosed in accordance with securities regulatory rules of the place where the Company's shares are listed.

Unless a director or supervisor is elected via the cumulative voting system, each candidate for director or supervisor shall be individually proposed.

Article 57 After the notice of shareholders' meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice of shareholders' meeting shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefore at least two working days prior to the date on which the meeting is originally scheduled. If there are special provisions in the securities regulatory rules of the place where the Company's shares are listed regarding the procedures for adjournment or cancellation of the shareholders' meeting, such provisions shall apply.

Section 5 Holding of Shareholders' Meetings

Article 58 The board of directors of the Company and other conveners will take necessary measures to ensure the normal order of the shareholders' meeting. Any acts of interfering with the shareholders' meeting, stirring up arguments and infringing against the lawful interest of shareholders will be stopped by adopting measures and shall be reported to the relevant authority for investigation and penalty.

Article 59 All shareholders whose names appear on the register of shareholders on the shareholding record date or their proxies are entitled to attend the shareholders' meeting and exercise their voting rights (including waive their voting rights on a certain issue in accordance with relevant provisions) in accordance with the relevant laws, regulations, listing rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

A shareholder may attend the shareholders' meeting in person or appoint a proxy to attend and vote on his/her behalf. Each shareholder shall have the right to appoint one proxy, and such proxy need not be a shareholder of the Company.

The proxy/proxies so appointed by the shareholder shall exercise the following rights:

- (I) the same right as the shareholder to speak at the meeting;
- (II) the right to demand or join in demand for a poll;
- (III) unless otherwise prescribed by the laws, administrative regulations, listing rules of the stock exchange in the place where the Company's shares are listed or other securities laws and regulations, the right to exercise voting rights by a show of hands or by poll.

If the shareholder is a recognized clearing house (or its proxy) within the meaning of the relevant regulations imposed in Hong Kong from time to time, the shareholder may authorize one or more persons whom it considers appropriate to act as its representative(s) at any shareholders' meeting; provided that if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and signed by authorized proxies of recognized clearing house. Such person so authorized shall be entitled to attend the meeting on behalf of the recognized clearing house or its proxy (without presentation of evidence of its shareholding, notarized authorization and/or further proof demonstrating the duly granting of the same) and speak at the meeting and exercise his/her rights, as if such person was an individual shareholder of the Company. These authorized persons enjoy statutory rights (including the right to speak and vote) equivalent to those enjoyed by other shareholders.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents that can verify their identity. Proxies attending the meeting on behalf of shareholders shall present their valid personal identity cards and the proxy statements from the shareholder, and exercise his/her voting right within the scope of the proxy statements.

Institutional shareholders shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall present his/her personal identity card and valid documents that can prove its identity as the legal representative. If a proxy attends the meeting, the proxy shall present his/her personal identity card and the written proxy statement duly issued by the legal representative of the institutional shareholder in accordance with the law. If such institutional shareholder has appointed a proxy to attend the meeting, it shall be deemed to have attended in person.

Article 60 The power of attorney issued by a shareholder to appoint a proxy to attend a shareholders' meeting shall specify the following contents:

- (I) the name of the proxy;
- (II) with or without speaking and voting rights;
- (III) instructions to vote for, against or abstain from voting on each and every matter under consideration included in the agenda of the shareholders' meeting, respectively;
- (IV) the date of issuance and validity period of the power of attorney;
- (V) signature (or seal) of the principal. If the principal is an institutional shareholder, seal of the corporate hall be affixed.

Article 61 The power of attorney should state whether the proxy may vote as he/she wishes if the shareholder does not give specific instructions.

Article 62 If the power of attorney for voting by proxy is signed by another person authorized by the principal, the power of attorney authorizing the signature or other authorization documents shall be notarized. The notarized power of attorney or other authorizing documents, together with the power of attorney for voting, shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting at least 24 hours prior to the convention of such meeting, or 24 hours prior to the designated voting time.

If the principal is a legal person, its legal representative or the person authorized by a resolution of the board of directors or other decision-making body shall attend the shareholders' meeting of the Company as the representative.

Article 63 Attendees' register shall be prepared by the Company. The attendees' register shall state the names (or names of the corporations), identification card number and the address of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on.

Article 64 The convener and the lawyer appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing organization, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.

Article 65 When a shareholders' meeting is convened, all the directors, supervisors and the secretary to the board of directors shall attend the meeting, and the general manager and other senior management members shall be present at such meeting. Subject to the securities regulatory rules of the place where the Company's shares are listed, the above-mentioned persons may attend or present at the meeting via internet, video, telephone or other means with equivalent effect.

Article 66 The shareholders' meeting shall be chaired by the chairman of the board of directors. When the chairman of the board of directors is unable to perform his/her duties or fails to perform his/her duties, the meeting is chaired by the vice chairman of the board of directors. When the vice chairman of the board of directors is unable to perform his/her duties or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

The chairman of the board of supervisors shall preside over the shareholders' meeting that is convened by the board of supervisors. If the chairman of the board of supervisors is unable to perform his/her duties or fails to perform his/her duties, the meeting shall be presided over by a supervisor jointly elected by more than half of the supervisors.

A shareholders' meeting convened by the shareholders shall be presided over by a representative elected by the conveners.

Where the chairman of the shareholders' meeting violates the rules of procedure when holding the meeting and as a result, the shareholders' meeting is unable to continue, subject to the consent of the shareholders with more than half of voting rights of all the shareholders attending the shareholders' meeting, a person may be nominated in the shareholders' meeting to act as the chairman of the meeting and such meeting may continue.

Article 67 The Company shall formulate the rules of procedure for the shareholders' meeting which shall specify in detail the convening and voting procedures of a shareholders' meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, meeting minutes and their signing, announcements and other contents, and the principles of authorization to the board of directors at the shareholders' meeting. The authorization shall be clear and specific. The rules of procedure for the shareholders' meeting shall be prepared by the board of directors and approved by the shareholders' meeting, and shall be appended to the Articles of Association.

Article 68 At the annual meeting, the board of directors and the board of supervisors shall report to the shareholders' meeting their works done in the past year. Each independent non-executive director shall also present a work report.

Article 69 Directors, supervisors and senior management members shall provide explanations in relation to the inquiries and recommendations from the shareholders at the shareholders' meeting.

Article 70 The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies attending the meeting as well as the total number of their voting shares, which shall conform to the meeting's registration.

Article 71 Minutes of the shareholders' meetings shall be recorded by the secretary to the board of directors, which shall include the following information:

- (I) time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairman of the meeting and the names of the directors, supervisors, the secretary to the board of directors, 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 held by them, and its proportion in the total number of shares of the Company;
- (IV) the consideration process, summaries of speeches and voting result for each proposal;
- (V) the shareholders' questions, opinions or recommendations and the corresponding answers or explanations;
- (VI) names of the lawyer (if any), vote counters and scrutinizer;
- (VII) other contents to be recorded in the minutes as specified in the Articles of Association.

Article 72 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretary to the board of directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes, and ensure that the contents of the minutes are true, accurate and complete. The minutes of the meeting shall be kept together with the attendance record of the attending shareholders, letters of authorization of proxies, and other information, for a period of not less than 10 years.

Article 73 The convener shall ensure that the shareholders' meeting is conducted continuously until final resolutions are made. In the event that the shareholders' meeting is adjourned or resolutions failed to be reached due to an event of force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or terminate that meeting, and an announcement shall be timely made accordingly.

Section 6 Voting and Resolutions at Shareholders' Meetings

Article 74 Resolutions at the shareholders' meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution put forward at a shareholders' meeting shall be passed by votes representing more than half of the voting rights held by the shareholders (including their proxies) attending the shareholders' meeting.

A special resolution put forward at a shareholders' meeting shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders (including their proxies) attending the shareholders' meeting.

Article 75 The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

- (I) work reports of the board of directors and the board of supervisors;
- (II) profit distribution plans and loss recovery plans formulated by the board of directors;
- (III) the election and removal of the members of the board of directors and the board of supervisors, their remunerations and the method of payment thereof;
- (IV) resolution on appointment and dismissal of an accounting firm by the Company;
- (V) other matters other than those prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association that shall be approved by special resolutions.

Article 76 The following matters shall be approved by special resolutions at a shareholders' meeting:

- (I) the increase or reduction of the registered capital of the Company;
- (II) the merger, division, spin-off, dissolution and liquidation of the Company or change of corporate form of the Company;
- (III) amendment to the Articles of Association;
- (IV) purchase or sale of material assets by the Company (including controlled subsidiaries) in excess of 30% of the latest audited total assets of the Company within one year;
- (V) share option incentive plan and employee stock ownership plan;
- (VI) other matters prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and those matters determined by ordinary resolutions at a shareholders' meeting to have a material impact on the Company and required to be approved by special resolutions.

Article 77 Shareholders (including proxies) shall exercise their voting rights based on the number of the shares with voting rights they represent, each share shall carry one vote. On a poll, shareholders (including proxies) with two or more votes need not use all their voting rights in the same way.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights present at shareholders' meetings.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for or only against any resolution in accordance with laws, administrative regulations, department rules and the regulatory rules of the place where the Company's shares are listed, any vote cast by a shareholder or his/her proxy in contravention of the aforesaid requirement or restriction shall not be counted towards the voting results.

Article 78 When related (connected) transactions (as defined in the Hong Kong Listing Rules) are considered at the shareholders' meeting, the related (connected) shareholders and their associates (as defined in the Hong Kong Listing Rules) shall abstain from voting, and the voting shares represented by them shall not be included in the total number of valid votes. The announcement on the resolutions of the shareholders' meeting shall fully disclose the details of voting by non-related (connected) shareholders as well as other contents as required by the securities regulatory rules of the place where the Company's shares are listed.

Before a related (connected) transaction is considered at the shareholders' meeting, the Company shall determine the scope of the related (connected) shareholders in accordance with the relevant laws, regulations and normative documents. When a related (connected) transaction is considered at the shareholders' meeting, the related (connected) shareholders or their proxies may attend the meeting and clarify their views to the shareholders present in accordance with the meeting procedures, but shall abstain from voting. If the related (connected) shareholders do not abstain from voting, other shareholders attending the meeting shall have the right to request the related (connected) shareholders to abstain from voting. After the related (connected) shareholders abstains from voting, the other shareholders shall vote according to their voting rights and approve the corresponding resolutions in accordance with the provisions of the Articles of Association. The related (connected) shareholders' abstention and voting procedures shall be recorded in the minutes of the meeting.

In order to be valid, the resolutions made at the shareholders' meeting on matters concerning related (connected) transactions shall be passed by more than half of the votes cast by the non-related (connected) shareholders attending the shareholders' meeting. However, if such related (connected) transaction involves a special resolution as stipulated in the Articles of Association, the resolutions of the shareholders' meeting shall be valid only if it is passed by more than two-thirds of the voting rights held by the non-related (connected) shareholders present at the shareholders' meeting.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for (or against) any resolution in accordance with Hong Kong Listing Rules, any vote cast by such shareholder or his/her proxy in contravention of such requirement or restriction shall not be counted.

Article 79 Unless the Company is in danger or under other special circumstances, the Company shall not, without the approval of shareholders' meetings by way of a special resolution, enter into contracts with persons other than directors, general manager or other senior management granting such persons the responsibility for managing all or part of the Company's material business.

Article 80 The list of candidates for directors and supervisors shall be submitted to the shareholders' meeting by way of a proposal.

The methods and procedures for nominating candidates for directors and supervisors are:

- (I) the board of directors, the board of supervisors, and shareholders who individually or collectively hold more than 1% of the Company's shares have the right to propose director candidates to the shareholders' meeting in accordance with laws and regulations and the provisions of the Articles of Association;
- (II) the board of directors, the board of supervisors, and shareholders who individually or collectively hold more than 1% of the Company's shares have the right to propose supervisor candidates (other than the employee representatives) to the shareholders' meetings in accordance with laws and regulations and the provisions of the Articles of Association. The employee representative supervisors shall be democratically nominated and elected by the Company's employees through the employee representative congress, employee congress or any other form;

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.

The board of directors shall announce the biographies and basic information of candidates for directors and supervisors to the shareholders.

Article 81 Cumulative voting shall be available for any resolution of the shareholders' meeting on the election of directors and supervisors in accordance with the provisions of the Articles of Association or resolutions of the shareholders' meeting. If a single shareholder (together with its persons acting in concert) holds thirty percent (30%) or more of the voting shares of the Company, cumulative voting is mandatory.

Cumulative voting system referred to in the preceding paragraph means a system whereby each share, in an election of directors or supervisors at a shareholders' meeting, carries the number of voting rights equivalent to the number of the directors or supervisors to be elected, and a shareholder may concentrate his/her voting rights.

When cumulative voting is applied, the following rules govern the election of directors and supervisors:

- (I) candidates for directors and supervisors shall be elected in descending order of the total number of votes cast for each candidate, provided that every elected director and supervisor must receive more than one-half (50%) of the total voting shares held by shareholders present at the shareholders' meeting;

- (II) if two or more candidates for directors and supervisors receive an equal number of votes that would otherwise qualify them for election, and the number of remaining seats is insufficient for all of them, a second ballot shall be held among those tied candidates until the required number of directors and supervisors is elected;
- (III) if fewer candidates for directors and supervisors than the required number receive more than one-half of the total voting shares held by shareholders present at the shareholders' meeting, a second ballot shall be held among the remaining candidates. Should the second ballot still fail to fill all vacancies, the unfilled positions shall be submitted to the next shareholders' meeting for re-election. If, as a result, the number of directors or supervisors falls below the minimum prescribed by the Company Law or below two-thirds of the number fixed by the Articles of Association, an extraordinary shareholders' meeting shall be convened within two (2) months after the conclusion of the original meeting to elect the remaining directors and supervisors.

If directors will be elected by cumulative voting at a shareholders' meeting, the voting of independent non-executive directors and other directors shall be carried out separately.

Article 82 Other than the Cumulative voting system, the shareholders' meeting will vote on all proposals one by one, and for the different proposals on the same matter, voting will be proceeded according to the order of the times these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' meeting shall not shelve the proposals or withhold the voting on them.

Article 83 No alteration to the proposals will be allowed when they are being considered at the shareholders' meetings. Otherwise, the relevant changes should be deemed to be a new proposal which cannot be resolved at this shareholders' meeting.

Article 84 The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

Article 85 Unless otherwise required by applicable laws and regulations or the listing rules of the stock exchange where the Company's shares are listed, voting at shareholders' meetings shall be conducted by registered voting.

Before the shareholders' meeting votes on a proposal, two shareholder representatives shall be elected to participate in the vote-counting and scrutiny. If a matter under consideration is related (connected) to a shareholder, the relevant shareholder and his/her proxy shall not participate in the vote-counting or scrutiny.

At the time of deciding on a proposal by voting at a shareholders' meeting, shareholders' representatives and supervisors' representatives as well as other relevant persons appointed in accordance with the securities regulatory rules of the place where the Company's shares are listed shall count and scrutinize the votes jointly in accordance with the preceding rules and announce the voting results on the spot. The voting results for the resolutions shall be recorded in the minutes.

The shareholders of the Company or their proxies who cast votes by online voting or other means shall be entitled to check their own voting results through corresponding voting system.

Article 86 The presider of the meeting shall announce the voting situations and results of each proposal on site and whether the proposal is passed according to the voting results.

Before the formal announcement of the voting results, the companies, tellers, scrutineers, substantial shareholders and other relevant parties involved in the shareholders' meeting shall be obliged to maintain confidentiality regarding the voting results.

Article 87 Shareholders attending the shareholders' meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention.

Any votes not completed, completed incorrectly or unintelligibly, or votes not cast shall be deemed as the voter waiving his/her right to vote, and the voting result for the shares held by him/her shall be deemed as an "abstention".

Where any shareholder is, under the securities regulatory rules of the place where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote cast by or on behalf of such shareholders in contravention of such requirement or restriction shall not be counted.

Article 88 If the presider of the meeting has any doubt about the result of voting on any resolution submitted for voting, the presider may request the votes cast to be counted. If the presider does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared if such shareholder objects to the result of voting declared by the presider, in which case, the presider shall immediately have the votes counted.

Article 89 The resolutions of the shareholders' meeting shall be announced in a timely manner in accordance with relevant laws and regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed, or the provisions of the Articles of Association, and the announcement shall indicate the number of shareholders and proxies attending the meeting, the total number of voting shares and its proportion to the total number of voting shares of the Company, and the voting method, voting results of each proposal and details of each resolution passed, as well as other items as required by the securities regulatory rules of the place where the Company's shares are listed.

Article 90 Where a proposal has not been passed or the resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the announcement of the resolutions of the shareholders' meeting.

Article 91 Where a proposal on the election of directors and supervisors is passed at a shareholders' meeting, unless otherwise specified, the term of office of the newly appointed directors and supervisors shall commence on the date on which the resolutions is passed at the shareholders' meeting or the date on which the appointments set out in such resolutions become effective.

Article 92 Where a resolution on the distribution of cash dividends or bonus shares or the capitalization of the capital common reserve has been passed at a shareholders' meeting, the Company will implement the specific plan within two months after the conclusion of the shareholders' meeting. If the specific plan cannot be implemented within two months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted in accordance with such regulations and the actual situation.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 93 The directors of the Company are natural persons and shall possess the qualifications required by laws, administrative regulations, and rules. A person may not serve as a director of the Company in any of the following circumstances:

- (I) a person who has no or restricted capacity for civil conduct;
- (II) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period. If he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;
- (III) a person who is a director, the factory chief or the manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than three years have lapsed following the date of the completion of the insolvency and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to violation of the laws and has incurred personal liability, where less than three years have lapsed since the date of the revocation of such business license or the order for closure;
- (V) a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts;
- (VI) a person who is currently being prohibited from participating in the securities market by the CSRC and such barring period has not elapsed;
- (VII) other contents stipulated by laws, administrative regulations, departmental rules, regulatory documents, regulatory rules of the place where the Company's shares are listed, or by relevant supervisory authorities.

Election or appointment of a director which violates these provisions shall be void. A director who encounters the circumstance set out in the above paragraph during his/her term of office shall be dismissed by the Company.

Article 94 Directors shall be elected or replaced by the shareholders' meeting, and may be removed by the shareholders' meeting before the expiry of their terms of office. The term of office of the directors shall be 3 years, and the directors may be re-elected and re-appointed.

The term of office of a director shall be from the date of appointment to the expiry of term of office of the current board of directors. Where re-election is not promptly carried out upon expiry of the term of office of a director, prior to appointment of a new director, the original director shall continue to carry out director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

The general manager or other senior management may hold the position of director concurrently, but the aggregate number of directors who hold the position of general manager or other senior management position concurrently shall not exceed half of the total number of directors of the Company. Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the board of directors appoints a new director to fill a casual vacancy, the appointed director should serve only until the first annual shareholders' meeting of the Company following his or her appointment and shall be eligible for re-election by the shareholders at the first annual shareholders' meeting following his or her acceptance of the appointment.

There is no employee representative director in the Company.

Article 95 A director shall comply with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association. He/she shall take actions to avoid conflict between their own interests and those of the Company and shall not seek any improper interests by taking advantage of their powers. A director shall bear the following duties of loyalty to the Company:

- (I) not to embezzle the Company's property or misappropriate the Company's funds;
- (II) not to deposit Company's assets or funds into accounts held in his/her own name or in the name of any other individual;
- (III) not to abuse their authority to offer bribes or accept other illegal income;
- (IV) not to accept commissions on transactions between other persons and the Company for his/her own benefit;
- (V) not to disclose the Company's secrets without authorization;
- (VI) shall not, in violation of the provisions of the Articles of Association and without the consent of the shareholders' meeting or the board of directors, lend the Company's funds to others or use the Company's properties to provide guarantee for others;
- (VII) shall not take advantage of his/her position to seek business opportunities that should otherwise belong to the Company for himself/herself or others, or to engage in the same kind of business as the Company for his/her own account or for the benefits of others, without reporting to the board of directors or the shareholders' meeting and obtaining approval through resolutions passed by the board of directors or at the shareholders' meeting in accordance with the Articles of Association;
- (VIII) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling shareholders or actual controllers of the Company do not serve as directors of the Company but actually execute the affairs of the Company, the relevant provisions of this Article on duties of loyalty shall apply.

Article 96 If any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the Company, he/she should report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meetings, subject to the approval of the board of directors or shareholders' meetings according to the Articles of Association.

The provisions of the preceding paragraph shall apply if the near relatives of the directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their near relatives, or any other person related (connected) to the directors, supervisors or senior management members, enters a contract or conducts a transaction with the Company.

Where any director, supervisor or senior management member fails to report to the board of directors or the shareholders' meetings and obtains approval by a resolution of the board of directors or the shareholders' meetings according to the Articles of Association, he/she may not engage in any business that is similar to that of the Company where he/she serves for himself/herself or for any other person.

Article 97 Neither directors, supervisors nor senior management members may take advantage of their positions to seek any business opportunity that belongs to the Company for themselves or any other person except under the following circumstances:

- (I) where they have reported to the board of directors or the shareholders' meeting and the matter has been approved by a resolution of the board of directors or the shareholders' meeting according to the Articles of Association;
- (II) where the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 98 Any income obtained by a director in violation of Articles 95 to 97 of these Articles of Association shall belong to the Company; if such violation causes loss to the Company, the director shall bear liability for compensation.

Article 99 The directors shall comply with laws, administrative regulations and the Articles of Association. In performing their duties, they shall exercise the reasonable care ordinarily expected of a prudent manager in the best interests of the Company and bear the following duties of diligence to the Company:

- (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license;
- (II) to treat all shareholders fairly;
- (III) to keep abreast of the Company's business operation and management;
- (IV) to sign written confirmations of the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;

- (V) to provide the status reports and information to the supervisory committee truthfully, and not to hinder the supervisory committee or supervisors from exercising their powers;
- (VI) other duties of diligence stipulated in laws, administrative regulations, departmental rules, the Articles of Association and regulatory rules of the place where the Company's shares are listed.

Where the controlling shareholders or actual controllers of the Company do not serve as directors of the Company but actually execute the affairs of the Company, the relevant provisions of this Article on duties of diligence shall apply.

Article 100 A director who fails to attend two consecutive meetings of the board of directors in person or to delegate other directors to attend the meetings on his/her behalf shall be deemed to be incapable of performing his/her duties, and the board of directors shall propose to the shareholders' meeting to remove such director. Subject to the securities regulatory rules of the place where the Company's shares are listed, a director who attends a meeting of the board of directors by internet, video, telephone or other means with equivalent effect shall also be deemed to be attending the meeting in person.

Article 101 A director may resign prior to expiry of his/her term of office. A resigning director shall submit a written resignation report to the board of directors. The board of directors shall disclose the relevant information within two days.

The resignation of a director takes effect upon delivery of his/her resignation report to the board of directors, except for the following circumstances:

- (I) the resignation of a director will render the number of directors of the Company to fall below the minimum quorum;
- (II) the resignation of an independent non-executive director will lead to the proportion of independent non-executive directors in the board of directors of the Company or its special committees not complying with laws and regulations or the Articles of Association of the Company, or there is a lack of accounting professionals among the independent non-executive directors.

Under the above circumstances, the resignation report shall not take effect until the successor fills the vacancy arising from such director's resignation. Before the assumption of office by the newly elected directors, the resigning director shall continue to perform director's duties pursuant to the provisions of relevant laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association. The Company shall conduct a by-election within sixty days from the date of resignation submitted by the director, ensuring that the composition of the board of directors and its special committees complies with the provisions of laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 102 If a director's resignation takes effect or his/her term of office expires, he/she shall complete all handover procedures with the board of directors. His/her duties of loyalty to the Company and its shareholders shall not be automatically relieved upon the termination of his/her employment. His/her obligations to keep the Company's business secrets confidential shall remain in effect after the termination of his/her employment until such secrets become public information other than for reasons attributable to resignation of the director. A director shall still assume other duties of loyalty to the Company within two years from the effective date of his/her resignation or expiry of his/her term of office.

Article 103 Unless provided for under the Articles of Association or legally authorized by the board of directors, no director shall act in his/her name on behalf of the Company or the board of directors. When a director acts in his/her own name and the third party would reasonably believe that such director is acting on behalf of the Company or the board of directors, such director shall declare his/her position and capacity in advance.

Article 104 Any director who violates laws, administrative regulations, departmental rules or the Articles of Association in the performance of his/her duties and causes losses to the Company shall be liable for compensation.

If a director causes damage to others in the course of performing his/her duties, the Company shall be liable for compensation; the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

The Company may take out liability insurance to cover the liability of the directors for the indemnity obligations arising from the performance of the Company's duties during the directors' tenure of office.

After the Company has taken out or renewed liability insurance for a director, the board of directors shall report to the shareholders' meeting about the amount of liability insurance taken out, the scope of coverage and the insurance premium rate, etc.

Article 105 The Company shall establish a system of independent directors (independent non-executive directors). The independent non-executive directors shall perform their duties in accordance with laws, administrative regulations and the relevant requirements of the CSRC and the stock exchange of the place where the shares of the Company are listed. Matters such as the eligibility criteria, nomination, election and replacement of independent non-executive directors, and their special functions and powers shall be expressly defined by the Company in a separate system.

Section 2 board of directors

Article 106 The Company shall establish a board of directors, which shall be accountable to the shareholders' meetings.

Article 107 The board of directors shall consist of eight directors, including at least three independent non-executive directors and one female director. At all times, the Board shall have more than one-third independent non-executive directors. At least one independent non-executive director shall possess appropriate accounting or related financial management expertise, or appropriate professional qualifications, as required by the stock exchange of the place where the shares of the Company are listed. At least one independent non-executive director of the Company shall be ordinarily resident in Hong Kong.

If there are any independent non-executive director fails to comply with the qualifications, independence requirement required by the Hong Kong Listing Rules or there are circumstances that render it not appropriate to perform its duties as an independent non-executive director, which results in the number of independent non-executive directors of the Company less than that required by the Articles of Association, the Company shall immediately notify the Hong Kong Stock Exchange and explain the relevant details and reasons by way of announcement. The Company shall, as required, make up the number of independent non-executive directors to satisfy the requirements of the Hong Kong Listing Rules within three months after the non-compliance with the relevant requirements.

Article 108 The board of directors shall exercise the following functions and powers:

- (I) to convene shareholders' meetings, and submit work reports to shareholders' meetings;
- (II) to implement the resolutions of shareholders' meetings;
- (III) to decide on the Company's operational plans and investment plans;
- (IV) to formulate the Company's profit distribution plan and plan for making up of losses;
- (V) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;
- (VI) to draw up the Company's plans for major acquisitions, acquisition of the Company's shares or mergers, demergers, dissolutions and changes in the form of the Company;
- (VII) to decide, within the scope of the mandate granted by a shareholders' meeting, on the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related (connected) transactions, external loan, etc;
- (VIII) to decide on the establishment of the Company's internal management organisations and special committees of the board of directors;
- (IX) to decide on the appointment or dismissal of the general manager, secretary to the board and other senior management members of the Company, and to decide on their remunerations, incentives and penalties; to decide on the appointment or dismissal of senior management members such as the deputy general manager or chief financial officer of the Company based on the nominations by the general manager, and to decide on their remunerations, incentives and penalties;
- (X) to formulate and amend the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to manage information disclosure of the Company;
- (XIII) to propose to a shareholders' meeting on appointment or change of the accounting firms which provide audit services to the Company;

- (XIV) to listen to work reports of the general manager of the Company and inspect his/her work;
- (XV) to examine and approve transactions (including but not limited to disclosable transactions and related (connected) transactions) that are required to be decided by the board of directors in accordance with the regulatory rules of the place where the Company's shares are listed;
- (XVI) any other functions and powers conferred by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

Matters beyond the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Resolutions adopted by the board of directors on matters specified in the preceding paragraph shall be approved by a majority vote of the directors, except for items (V), (VI), and (XI), as well as other matters stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association, which must be approved by a vote of more than two-thirds of the directors.

The Company has established the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy Committee under the board of directors. The special committees shall be responsible to the board of directors, and perform their duties according to the Articles of Association and the authorization granted by the board of directors. The proposals shall be submitted to the board of directors for consideration and approval. All members of the special committees are composed of directors. Specific composition and qualification requirements shall be determined in accordance with laws, administrative regulations, departmental rules, and regulatory rules of the place where the Company's shares are listed. The Audit Committee must consist of at least three members, all of whom shall be non-executive directors. The board of directors is responsible for formulating the rules of procedures of the special committees and regulating their operations.

Article 109 The board of directors of the Company shall make explanations to the shareholders' meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company. The Company's board of directors shall ensure timely disclosure of periodic reports. Where circumstances prevent the board of directors from adopting a resolution on the periodic report, the Company shall disclose the relevant situation through a board announcement, explaining the reasons for the failure to adopt a resolution and the associated risks.

Article 110 The board of directors shall formulate the rules of procedure for meetings of the board of directors to ensure that the board of directors can implement the resolutions of the shareholders' meeting, improve work efficiency and ensure scientific decision-making. The rules of procedures for the board of directors shall be formulated by the board of directors and approved by the shareholders' meeting.

Article 111 The board of directors shall determine the scope of authority of external investments, acquisition and sales of assets, asset mortgages, external guarantees, entrusted wealth management, related (connected) transactions, external donations, etc., and establish strict review and decision-making procedures; arrange relevant experts and professionals to review major investment projects and submit them to the shareholders' meeting for approval. Transactions or matters involving the Company that are required to be submitted to the board of directors for deliberation pursuant to laws, administrative regulations, departmental rules, or the listing rules of the stock exchange where the Company's shares are listed shall be handled in accordance with the relevant provisions.

The term "transaction" as used in these Articles of Association includes but is not limited to: (I) purchase or disposal of assets; (II) investments (including entrusted financing, investments in subsidiaries, etc.); (III) provision of financial assistance (including entrusted loans); (IV) provision of guarantee (including guarantees for subsidiaries); (V) lease or rental of assets; (VI) entering into management contracts (including entrusted management, commissioned management, etc.); (VII) donating or receiving assets as a gift; (VIII) debt or debt restructuring; (IX) transferring research and development projects; (X) entering into authorization agreements; (XI) waiver of rights (including waiver of pre-emptive right, priority for invited capital contribution and other rights); (XII) other transactions recognized by laws, regulations, and regulatory documents.

- (I) Transactions of the Company that meet one of the following standards shall also be submitted to the shareholders' meeting for consideration after being considered and approved by the board of directors:
1. the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
 2. the main business income related to the target of transaction (such as equity) in the latest fiscal year accounts for more than 50% of the Company's audited main business income in the latest fiscal year;
 3. the net profit related to the target of transaction (such as equity) in the latest fiscal year accounts for more than 50% of the Company's audited net profit in the latest fiscal year;
 4. the closing amount of the transaction (including liabilities taken and expenses) accounts for more than 50% of the Company's latest audited net assets;
 5. the profit generated from the transaction accounts for more than 50% of the Company's audited net profit in the latest fiscal year;
 6. transactions, including related (connected) transactions that are subject to approval by the shareholders' meeting as stipulated in the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules).

- (II) Transactions of the Company (excluding provision of guarantees and financial assistance) that meet one of the following standards but have not yet reached the standard that should be submitted to the shareholders' meeting for consideration shall be considered and approved by the board of directors:
1. the total assets involved in the transaction account for more than 10% of the Company's latest audited total assets, where the total assets involved in the transaction have both book value and appraisal value, the higher one will be used as the calculation data;
 2. the main business income related to the target of transaction (such as equity) in the latest fiscal year accounts for more than 10% of the Company's audited main business income in the latest fiscal year;
 3. the net profit related to the target of transaction (such as equity) in the latest fiscal year accounts for more than 10% of the Company's audited net profit in the latest fiscal year;
 4. the closing amount of the transaction (including liabilities taken and expenses) accounts for more than 10% of the Company's latest audited net assets;
 5. the profit generated from the transaction accounts for more than 10% of the Company's audited net profit in the latest fiscal year;
 6. transactions, including related (connected) transactions that are subject to approval by the board of directors as stipulated in the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules).
- (III) Transaction matters other than those shall be considered and approved by the shareholders' meeting and board of directors as mentioned above shall be considered and approved by the general manager.
- (IV) Unless otherwise provided by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules), the means and methods for determining the relevant amounts in the foregoing provisions shall be as follows:
1. where the Company and a same transaction party have two transactions in opposite directions at the same time except for external investment, provision of financial assistance and provision of guarantees, the calculation shall be based on the higher of the indicators involved in the transaction in a single direction.
 2. if a transaction occurs in the Company with the subject matter of equity interests, and the purchase or sale of the equity will result in a change in the scope of the Company's consolidated statements, all assets and operating income of the corresponding company of the equity interests shall be deemed to be the total assets involved in the transaction mentioned in this Article and the operating income relevant to the subject matter of the transaction;

3. where the Company has transactions such as provision of financial assistance or entrusted wealth management, the actual amount incurred shall be used as the calculation standard, and the calculation shall be cumulative within twelve consecutive months according to the specific type of transaction, and the applicable consideration procedures shall be determined based on the cumulative calculation amount;
4. where the Company invests externally to establish a limited liability company or a joint stock limited company, the total amount of capital contribution stipulated in the agreement shall be the standard;
5. where the Company has asset purchase or disposal transactions, the higher of the total assets and the transaction amount shall be used as the calculation standard, and shall be calculated cumulatively within twelve consecutive months according to the specific type of transaction; where the cumulative calculation reaches 30% of the latest total audited assets of the Company, it shall be audited or evaluated in accordance with requirements, and it shall also be submitted to the shareholders' meeting for consideration, and be approved by more than two-thirds of the voting rights held by shareholders attending the meeting;
6. for the above matters, if the review procedures have been carried out as required, they will no longer be included in the relevant range of cumulative calculation.

Unless otherwise stipulated in the securities regulatory rules of the place where the Company's shares are listed, the Company shall submit those related transactions with its related parties to the board of directors for consideration and approval if meeting the criteria set forth below:

1. any related transaction between the Company and its related natural person in an amount exceeding RMB300,000;
2. any related transaction between the Company and its related legal person in an amount exceeding RMB3,000,000 and accounting for over 0.5% of the latest audited absolute value of net assets of the Company.

Related transactions between the Company and related parties shall be submitted to the board of directors and/or shareholders' meeting (where applicable) for consideration and approval in accordance with the provisions of the Hong Kong Listing Rules.

Article 112 Except for the guarantees stipulated in the Articles of Association or those required by relevant laws, administrative regulations, departmental rules or other regulatory documents to be submitted to the shareholders' meeting for consideration, all other external guarantees of the Company shall be approved by the board of directors.

Article 113 The board of directors shall have a chairman and a vice chairman. The chairman and the vice chairman shall be elected by more than half of all directors of the board of directors.

Article 114 The chairman shall exercise the following functions and powers:

- (I) to preside over shareholders' meetings and to convene and to preside over board meetings;
- (II) to supervise and inspect the implementation of board resolutions;
- (III) to sign company stocks, corporate bonds, and other valuable securities;
- (IV) to sign important documents of the board of directors and other documents which shall be signed by the legal representative; to exercise the functions and powers of the legal representative;
- (V) in case of emergency of catastrophic natural disasters and other force majeure, to exercise the special right of disposal that is in line with the requirements of laws and interests of the Company on the matters of the Company, and report to the board of directors and the shareholders' meeting afterwards;
- (VI) to exercise other functions and powers conferred by the board of directors.

Article 115 When the chairman is unable or fails to perform his/her duties, the vice chairman shall perform such duties. When the vice chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

Article 116 Meetings of the board of directors shall be classified into regular meetings and extraordinary meetings. The board of directors shall convene at least four meetings every year and the chairman shall convene the meetings. A written notice (including personal delivery, fax and e-mail) of a regular meeting of the board of directors shall be served 14 days before the meeting on all directors and supervisors.

Article 117 Any shareholder(s) holding 1/10 or more of the voting rights, one-third or more of the directors or the board of supervisors may propose the holding of an extraordinary meeting of the board of directors. The chairman shall convene and preside over a board meeting within 10 days from receipt of such proposal.

Article 118 The notice of an extraordinary meeting of the board of directors shall be served by written notice (including personal delivery, fax and e-mail); and the notice period shall be 5 days before the date of the meeting.

In case of an emergency and it is necessary to convene an extraordinary meeting of the board of directors as soon as possible, the notice of the meeting may be sent by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

The first meeting after the board of directors' re-election may be held on the day of the re-election, and the time of the meeting shall not be limited by the notice form and period in the first paragraph.

Article 119 The notice of the board meeting shall include:

- (I) the date, location and duration of the meeting;
- (II) the form of the meeting;
- (III) the matters to be considered (meeting proposals);
- (IV) the convener and chairman of the meeting, the proposer of an extraordinary meeting and their written proposals;
- (V) the meeting materials necessary for the directors to vote;
- (VI) the requirement that directors attend meetings in person or appoint another director to attend on their behalf;
- (VII) the contact person of the meeting and contact details;
- (VIII) the date of issuance of notice;
- (IX) other matters required by laws, administrative regulations, departmental rules, regulatory documents, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

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

Article 120 The board meeting shall be held upon the attendance of more than half of directors.

Resolutions made by the board of directors must be passed by more than half of all directors. However, when the board of directors makes a resolution on matters relating to the Company's provision of external guarantees and financial assistance within the scope of its authority, in addition to being considered and approved by a majority of all the directors, it shall also be considered and approved by more than two-thirds of the directors present at the board meeting.

Voting on the board resolutions shall be conducted on a one-person-one-vote basis. In the event of a tie, the chairman may cast two votes.

Article 121 If any director has connection with the enterprise involved in the resolution made at a board meeting, the said director shall not vote on the said resolution for himself/herself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meeting is less than three, the issue shall be submitted to the shareholders' meeting for consideration. If there are any additional restrictions on directors' participation in and voting at board meetings in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Article 122 The board meeting shall be voted on by open ballot or by show of hands.

The board meeting may be held and vote can be casted thereat by means of on-site meeting, communication methods and a combination of both, unless otherwise stipulated by laws and regulations, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the board meeting is held on site, telephone, video or other real-time communication methods may be used to facilitate the participation of the directors in the board meeting on the premise that the directors can fully express their opinions, and the directors who participate in the board meeting through the above-mentioned methods shall be deemed to attend the on-site meeting.

If the board meeting is held by telephone, video or other real-time communication methods, it shall be ensured that the participating directors can hear the speeches of other directors and communicate with each other. Board meetings held in such manner shall be audio – or video – recorded. If the directors are unable to sign the resolutions of the meetings in real time at such meetings, they shall vote orally and complete the formalities of signing in writing as soon as possible. The oral vote of a director shall have the same effect as a written signature, provided that the subsequent written signature is consistent with the oral vote at the meeting. In the event of any inconsistency between such written signature and the oral vote, the oral vote shall prevail.

Article 123 Directors shall attend board meetings in person. If any director cannot attend the meeting for any reason, he/she may authorize in writing another director to act on his/her behalf. When considering the connected transactions, non-connected directors are not allowed to appoint connected directors to attend the meeting on their behalf. If a director does not attend a board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

Article 124 The board of directors shall keep minutes of resolutions on matters discussed at the meeting, and the attending directors shall sign on the minutes of the meeting.

The minutes of the board meetings shall be kept and archived by the Company for no less than ten years.

Article 125 The minutes of the board meeting shall include the following:

- (I) the date, location and name of convener of the meeting;
- (II) the names of the directors present and names of the directors (proxies) appointed by others to attend the board meeting;
- (III) the meeting agenda;
- (IV) the key points and main opinions of the directors' speeches (including any concerns or objections);
- (V) the voting method and poll results of each resolution (the voting results shall specify the number of votes cast in favor, against, or abstained);
- (VI) others deemed necessary to be recorded by the directors present at the meeting.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 126 The Company establishes one general manager who shall be appointed or dismissed by the board of directors.

The Company establishes one deputy general manager, one chief financial officer, and one secretary to the board of directors, all of whom are appointed or dismissed by the board of directors.

The general manager, deputy general manager, chief financial officer, and secretary to the board of directors are senior management members of the Company.

Article 127 The circumstances of disqualification from being a director prescribed in the Articles of Association shall be applicable to senior management members.

Provisions regarding fiduciary obligations and the diligence obligations of directors under items (IV) to (VI) in the Articles of Association shall be applicable to senior management members.

Article 128 A person who holds a position other than director or supervisor in the Company's controlling shareholder unit shall not serve as senior management member of the Company.

Senior management members of the Company shall only receive remuneration from the Company, not from our controlling shareholders.

Article 129 The term of office of the general manager shall be three years, renewable upon re-appointment. The term of office of the general manager shall commence from the date of the board resolutions and end when the term of the current board of directors expires.

Article 130 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (I) to be in charge of the Company's production, operation and management, and to organize and implement the board resolutions and report on works to the board of directors;
- (II) to organize and implement the Company's annual business plan and investment proposals;
- (III) to draft plans for the establishment of the Company's internal management organizations;
- (IV) to draft the Company's basic management system;
- (V) to formulate specific rules and regulations for the Company;
- (VI) to propose to the board of directors on the appointment or dismissal of deputy general manager and chief financial officer of the Company;

- (VII) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the board of directors;
- (VIII) other functions and powers stipulated in the Articles of Association, the general manager's work rules or conferred by the board of directors.

The general manager shall attend meetings of the board of directors.

Article 131 The general manager may resign before the expiration of the term of office. The specific procedures and methods of resignation shall be stipulated in the contract between the general manager and the Company.

Article 132 The deputy general manager 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, including education level, work experience and 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. When proposing the dismissal of the deputy general manager, the general manager shall submit the reasons for dismissal to the board of directors. The deputy general manager may resign before the expiration of the term of office.

The deputy general manager assists the general manager in daily operation and management of the Company. The deputy general manager shall be specifically in charge of a certain aspect of operation and management of the Company according to the decision of the general manager office meeting.

Article 133 The Company shall have a secretary to the board of directors, and shall be responsible for the preparation of the shareholders' meeting and board meeting, document keeping and management of information regarding the shareholders of the Company and other matters, and shall deal with information disclosure and other matters.

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

Article 134 If any senior management member who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties to the Company and causes losses to the Company, he/she shall be liable for compensation.

Article 135 Senior management members shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with laws.

CHAPTER 7 BOARD OF SUPERVISORS

SECTION 1 SUPERVISORS

Article 136 The circumstances of disqualification from being a director prescribed in the Articles of Association shall be applicable to supervisors. Provisions regarding fiduciary obligations and diligence obligations of directors in the Articles of Association shall be applicable to supervisors.

The directors, general manager and other senior management members, as well as their spouses and immediate family members, shall not act concurrently as supervisors.

Article 137 Supervisors shall comply with laws, administrative regulations and the Articles of Association and bear fiduciary obligations and diligence obligations towards the Company. They shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the properties of the Company. Provisions regarding fiduciary obligations and diligence obligations of directors in the Articles of Association shall be applicable to supervisors.

Article 138 Supervisors shall serve for a term of three years. Upon expiry of the term, the supervisors may be re-appointed upon re-election.

Article 139 If the term of office of a supervisor expires but re-election is not made in a timely manner or if any supervisor resigns during term of office so that the membership of the board of supervisors falls short of the quorum, the said supervisor shall continue to perform the duties as supervisor pursuant to the laws, administrative regulations and the Articles of Association until the elected supervisor assumes his office.

Article 140 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 141 Supervisors may be in attendance at board meetings, and raise questions or suggestions pertaining to board resolutions.

Article 142 Supervisors shall not abuse their connection to damage the interests of the Company, and shall compensate for any losses caused to the Company.

Article 143 If any supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his/her duties to the Company and causes losses to the Company, he/she shall be liable for compensation.

Section 2 board of supervisors

Article 144 The Company shall have board of supervisors. The board of supervisors shall consist of three supervisors and one chairman. The chairman of the board of supervisors shall be elected by a majority of all supervisors. The meetings of the board of supervisors shall be presided over and chaired by the chairman of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor nominated by more than half of the supervisors.

The board of supervisors shall include shareholder representatives and an appropriate proportion of employee representatives, the proportion of employee representatives shall not be less than one-third of all supervisors. Shareholder representatives sitting on the board of supervisors shall be elected and removed by the shareholders' meeting, and employee representatives shall be elected and removed by the employees through the employee representative congress, employee congress or any other democratic form.

Article 145 The board of supervisors shall exercise the following functions and powers:

- (I) to examine regular reports prepared by the board of directors and propose written examination suggestions;
- (II) to review the Company's financial position;
- (III) to supervise the directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any director or senior management member in violation of any laws, administrative regulations, the Articles of Association or resolutions adopted at the shareholders' meeting;
- (IV) to demand any director or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behaviour;
- (V) to propose to convene an extraordinary meeting, and to convene and preside over shareholders' meetings where the board of directors fails to perform its duty to do so as required by the Company Law;
- (VI) to submit proposals to shareholders' meetings;
- (VII) to initiate legal proceedings against directors or senior management members according to the Company Law;
- (VIII) to investigate into unusual operation of the Company and if necessary, to engage an accounting firm, a law firm or other professional institutions to assist in its work at the expenses of the Company;
- (IX) any other functions and powers stipulated by laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or the Articles of Association.

Article 146 The board of supervisors shall convene a meeting at least once every six months. Supervisors may propose to convene extraordinary meetings of the board of supervisors.

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

Article 147 The board of supervisors shall formulate rules of procedure for meetings of the board of supervisors specifying the deliberation method and voting procedure thereof, to ensure the work efficiency and scientific decision-making of the board of supervisors. The rules of procedure for meetings of the board of supervisors shall be prepared by the board of supervisors and approved by the shareholders' meeting.

Article 148 The board of supervisors shall keep minutes for items considered and decisions. The supervisors who attended the meetings shall sign on the minutes.

The supervisors are entitled to require their speech at meetings to be explicitly recorded in minutes. The minutes of the meeting of board of supervisors shall be kept and archived by the Company for no less than ten years.

Article 149 The notice of the meeting of board of supervisors shall include the following:

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

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Section 1 Financial and Accounting System

Article 150 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from 1 January to 31 December.

Article 151 The Company shall disclose its annual reports within four months from the end of each fiscal year, and its interim reports within three months from the end of the first half of each fiscal year.

The aforesaid annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange in the place where the Company is listed.

Article 152 The financial statement of the Company shall be prepared in accordance with the international accounting standards or the accounting standards of the place outside the PRC where the Company's shares are listed. The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the international accounting standards or the accounting standards of the place outside the PRC where the Company's shares are listed.

Article 153 The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 154 The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

Where the Company violate the provisions in the preceding paragraph by distributing profits to shareholders before making up of losses and appropriation to reserve funds, shareholders shall return such profits distributed to the Company; if losses are caused to the Company, shareholders and directors, supervisors and senior management members in charge shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 155 Reserve funds of the Company are used for making up losses of the Company and expanding scale of operation of the Company or conversion into its capital. Where the reserve of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

When the statutory reserve funds are converted into capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

Article 156 After the profit distribution plan is adopted at the shareholders' meeting, the board of directors shall finish distributing dividends (or shares) within two months after the conclusion of the shareholders' meeting.

Article 157 Basic principles of the Company's profit distribution policy:

- (I) attach importance to reasonable investment return to investors;
- (II) comply with the relevant laws, regulations, rules and the Articles of Association, and proceed in accordance with the prescribed conditions and procedures;
- (III) balance the Company's long-term development with reasonable return to investors;
- (IV) the same shares are entitled to the same rights and dividends.

Article 158 The specific policies of the Company's profit distribution are as follows:

1. Distribution principles: (1) shall attach importance to reasonable investment return to investors; (2) comply with relevant laws, regulations, rules and the Articles of Association, and proceed in accordance with the prescribed conditions and procedures; (3) balance the Company's long-term development with reasonable return to investors; (4) the same shares are entitled to the same rights and dividends.
2. Distribution form: the Company may distribute profits in cash, or a combination of cash or shares, but shall give priority to profit distribution in cash.
3. Distribution cycle: in principle, the Company shall make profit distribution at least once a year. The board of directors may propose interim profit distribution and special profit distribution based on the Company's profitability and capital requirements and submit them to the shareholders' meeting for approval.
4. Conditions for cash dividends: the Company shall distribute cash dividends if the Company made a profit in the previous fiscal year and the cumulative distributable profit is positive, and if the Company meets the capital requirements for normal production and operation.

The Company shall appoint one or more collection agents in Hong Kong for the purpose of receiving dividends declared by, and other monies payable to, the Company in respect of its securities listed on the stock exchange, who shall hold such monies in trust for the holders of such securities to pay to such holders.

In the event that share dividends are adopted for profit distribution, the board of directors shall to explain the factors justifying the adoption of share dividends for profit distribution.

The Company's profit distribution policy will maintain continuity and stability. Where the profit distribution policy needs to be adjusted due to major changes in the external operating environment or its own operating conditions, it shall be based on the protection of shareholders' rights and interests, and the board of directors and the board of supervisors of the Company shall conduct a study to justify the adjustment, and make a detailed justification and explanation of the adjustment by taking into account the competitive conditions of the industry, the Company's financial conditions, the Company's capital demand planning and other factors in the proposal for the shareholders' meeting. The proposal on adjusting the profit distribution policy shall be considered by the board of directors, reviewed by the board of supervisors and submitted to the shareholders' meeting of the Company for approval. Independent non-executive directors shall express independent opinions, and the adjusted profit distribution policy shall not be in violation of the relevant regulations of the CSRC and the stock exchange in the place where the Company's shares are listed.

Article 159 Review procedures for the Company's profit distribution plan:

1. The profit distribution plan of the Company shall be formulated and proposed by the board of directors based on the Company's profitability, supply and demand of funds. When considering the specific plan for cash dividends, the board of directors shall carefully study and discuss the timing, conditions and minimum proportion of cash dividends, the conditions for adjustment and the procedure requirements for decision-making. The independent non-executive directors shall review the profit distribution plan and express their definitive opinions. The plan shall be submitted to the shareholders' meeting for deliberation after it has been approved by the board of directors.
2. If the board of directors of the Company formulates a proposal not to implement profit distribution or to implement a profit distribution plan that does not include cash distribution, it shall disclose the reasons for not implementing profit distribution or implementing a profit distribution plan that does not include cash distribution in its regular reports and independent non-executive directors shall express independent opinions. The Company's undistributed profits for the year will be used to meet the needs of the Company's normal production and operation and long-term development.

Article 160 Implementation of the Company's profit distribution plan:

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 shareholders' 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.

Article 161 Adjustment to the Company's profit distribution policy:

In case of force majeure events, such as war and natural disasters or changes in the Company's external operating environment, which have significant impact on the production and operation of the Company, or significant changes in the Company's own operating condition, the Company can adjust its profit distribution policy.

The Company's adjustment of profit distribution policy should be discussed in detail by the board of directors, and the reasons for the adjustment should be demonstrated in a written report before being submitted to the shareholders' meeting for review.

Section 2 Internal Audit

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

Article 163 The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the board of directors. The person in charge of audit shall be accountable and report to the board of directors.

Section 3 Appointment of Accounting Firm

Article 164 The Company employs an independent accounting firm that complies with relevant national regulations and regulatory requirements of the place where the Company's shares are listed to conduct accounting statement auditing, net asset verification and other related consulting services. The term of appointment shall be one year commencing from the conclusion of the current annual general meeting and ending at the conclusion of the next annual general meeting, and shall be renewable.

Article 165 The appointment and removal of an accounting firm by the Company shall be decided by the shareholders' meeting, and the board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting.

Article 166 The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

Article 167 The remuneration of accounting firm shall be subject to the approval of the shareholders' meeting.

Article 168 The Company shall notify the accounting firm 30 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the shareholders' meeting of the Company votes on dismissing the accounting firm.

If the accounting firm proposes to resign, it shall explain to the shareholders' meeting whether the Company has any improper situation.

CHAPTER 9 NOTICES AND ANNOUNCEMENTS

Section 1 Notices

Article 169 Notices of the Company shall be served by the following methods:

- (I) by hands;
- (II) by post;
- (III) by fax;
- (IV) by e-mail;
- (V) by announcement (including announcements published on the designated website and website of the Company in the form required by the stock exchange of the place where the Company's shares are listed);
- (VI) by other methods stipulated in laws, administrative regulations, departmental rules and the Articles of Association and required by the rules of regulatory authorities of the place where the Company's shares are listed.

Article 170 Subject to the laws, administrative regulations, listing rules of the stock exchange of the place where the Company's shares are listed and the Articles of Association, notices sent by way of public announcement by the Company shall be deemed to have been received by all relevant parties after the publication of such announcement.

Article 171 A notice of convening shareholders' meetings of the Company shall be served by way of an announcement.

Article 172 Any notice convening a meeting of the board of directors of the Company shall be given in writing such as by personal delivery, by express service, by registered mail, by fax or by e-mail. In case of emergency situations, where a provisional meeting of board of directors is required to be convened as soon as possible, notice of convening the meeting may be given by telephone or by other verbal means. The convener of the meeting is required to give an explanation at the meeting.

Article 173 Any notice convening a meeting of the board of supervisors of the Company shall be given in writing such as by personal delivery, by express service, by registered mail, by fax or by e-mail. In case of emergency situations, where a provisional meeting of the board of supervisors is required to be convened as soon as possible, notice of convening the meeting may be given by telephone or by other verbal means. The convener of the meeting is required to give an explanation at the meeting.

Article 174 If the notice of the Company is delivered by hand, the recipient shall sign (or seal) on the receipt of the delivery, and the date of receipt shall be the date of service; if the notice of the Company is delivered by mail, the date of service shall be the third working day from the date of delivery to the post office; if the notice of the Company is delivered by facsimile, the date of service shall be the date of the fax report printed by the fax machine of the Company indicating that the fax was successful; if the notice of the Company is sent by e-mail, the date of service shall be the successful sending date recorded in the email system; if the notice of the Company is delivered by announcement, the date of service shall be the first date of publishing the announcement.

Article 175 The meeting and the resolutions made at the meeting shall not be null and void if the notice of the meeting fails to be delivered to any person entitled to the notice due to accidental omission or fails to be received by such person.

Article 176 Where notices issued by the Company to the shareholders of overseas listed foreign shares are published as announcements, they shall be on the same date submitted in electronic form to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange's electronic publication system for real-time release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules or on newspapers (including advertisements in newspapers) in accordance with the requirements of the local listing rules. Announcements shall also be published on the Company's website at the same time. Where the announcements are served by hand or post, they shall be delivered by hand or prepaid mails according to each of the address of the shareholders of overseas listed foreign shares as recorded on the register of shareholders, so that the shareholders are fully informed and have enough time to exercise their rights or act as required by the provisions of the notice. Where the listing rules of the stock exchange where the Company's shares are listed have other provisions, such provisions shall prevail.

Shareholders of the Company's overseas listed foreign shares may choose in writing to receive corporate communication from the Company in electronic form or printed copies, and the shareholders may also choose to receive Chinese or English version only, or both. Shareholders may give written notice in advance to the Company within reasonable time to revise the method of receiving foregoing information and its language version under appropriate procedures.

Shareholders or directors who wish to prove that a notice, document, information or written statement has been served to the Company shall provide evidence showing the same has been served to the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the preceding paragraph specifies the provision and/or dispatching of written corporate communication to shareholders, as for the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

Section 2 Announcements

Article 177 The Company shall regard the media and websites designated by the CSRC and the stock exchange of the place where the Company's shares are listed for information disclosure as its media for publishing corporate announcement and other disclosable information.

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 178 Merger of the Company may take the form of absorption or establishment of a new company.

In case of merger by absorption, a company absorbs any other company and the absorbed company shall be dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

Where the Company merges with a company in which it holds more than 90% of the shares, the merged company is not subject to the approval of the shareholders' meeting but shall notify other shareholders of the merger. Such shareholders shall have the right to request the Company to purchase their equity or shares at a reasonable price.

Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the approval of shareholders' meeting, except as otherwise provided in the Articles of Association.

Any merger of the Company not subject to the approval of shareholders' meeting under the preceding two paragraphs shall be subject to the approval of the board of directors.

Article 179 Where the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of adoption of the merger resolution and shall publish an announcement on the designated newspaper(s) or National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

A creditor may, within 30 days from the date of receipt of the notice or, if he/she does not receive a written notice, within 45 days from the date of the announcement, require the Company to pay off its debt or to provide corresponding guarantees.

Article 180 After the Company is merged, the claims and debts of each party to the merger shall be assumed by the company surviving the merger or the new company established resulting from the merger.

Article 181 Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the division resolution and shall publish an announcement on the designated newspaper(s) or National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

Article 182 Unless otherwise agreed in a written agreement has been entered into, before the division, between the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the companies surviving the division.

Article 183 Where the Company is required to reduce its registered capital, a balance sheet and an inventory of assets shall be prepared.

The Company shall notify its creditors within 10 days from the date of the resolution on the reduction of its registered capital and shall publish an announcement on the newspaper(s) or National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right within 30 days from the receipt of the notice or, if he/she does not receive such notice, within 45 days from the date of the announcement, to demand the Company to pay off its debts or provide corresponding guarantees.

The registered capital of the Company after the capital reduction shall not be less than the statutory minimum amount.

After the reduction of registered capital by the Company is considered and approved at the shareholders' meeting in accordance with the Articles of Association, the reduction of registered capital by the Company is not subject to the restriction of proportional reduction, and the Company may carry out targeted capital reduction.

Where the Company still incurs losses after making up its losses in accordance with the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share. The provisions of the Paragraph 2 of this Article shall not apply to the reduction in the registered capital in accordance with the circumstance. The Company shall publish an announcement on the newspaper(s) or National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at the shareholders' meeting. After reducing its registered capital in accordance with the circumstance, the Company shall not distribute profits until the cumulative amount of its statutory common reserve fund and discretionary common reserve fund reaches 50% of its registered capital.

If the reduction of the registered capital is in violation of the Articles of Association, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors, supervisors and senior management shall be liable for compensation.

Article 184 Where a merger or division of the Company involves any changes to any registration, such changes shall be registered with the company registration authority pursuant to the laws. Where the Company is dissolved, cancellation of the Company's registration shall be carried out in accordance with the laws. Where a new company is established, the registration of such company's incorporation shall be carried out in accordance with the laws.

Where the Company increases or reduces its registered capital, the Company shall register the changes with the company registration authority in accordance with the laws.

Section 2 Dissolution and Liquidation

Article 185 The Company shall be dissolved for the following reasons:

- (I) the term of its operations as is stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (II) the shareholders' meeting resolves to dissolve the Company;
- (III) dissolution is necessary due to merger or division of the Company;
- (IV) the business license of the Company is revoked, the Company is ordered to close down or be revoked in accordance with the law;
- (V) where the Company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the Company continues its existence and the situation cannot be resolved by other means, the Company is dissolved by a people's court in response to the request of shareholders who hold 10% or more of the voting rights of the Company.

In the event of occurrence of any cause leading to the dissolution of the Company as stipulated in the preceding paragraph, such dissolution cause shall be published on the National Enterprise Credit Information Publicity System within 10 days upon its occurrence.

Article 186 Under the circumstance described in items (I) and (II) of Article 185 in the Articles of Association, if no property has been distributed to its shareholders, the Company may continue to exist by amending the Articles of Association or with approval of the shareholders' meeting.

Amendments to the Articles of Association or obtaining approval of shareholders' meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing more than two-thirds of the voting rights present at the shareholders' meeting.

Article 187 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 185 in the Articles of Association, it shall establish a liquidation committee to carry out liquidation within 15 days after the occurrence of the cause of dissolution. Directors are the liquidation obligors of the Company and the liquidation committee shall be composed of directors or persons determined by the shareholders' meeting. If a liquidation committee is not established within the time limit or fails to carry out the liquidation after its establishment, any interested party may apply to the people's court to designate relevant personnel to form a liquidation committee to carry out liquidation. Where the liquidation obligors fail to fulfil their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

Article 188 The liquidation committee shall perform the following duties during the liquidation period:

- (I) to clean up the assets of the Company and prepare a balance sheet and an inventory of assets separately;
- (II) to notify the creditors by notice or announcement;
- (III) to deal with the outstanding liquidation-related business of the Company;
- (IV) to pay off outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to allocate the remaining assets of the Company after the settlement of debts;
- (VII) to represent the Company in any civil proceedings.

Article 189 The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement on the designated newspaper(s) or the National Enterprise Credit Information Publicity System and in the manner required by the stock exchange of the place where the Company's shares are listed within 60 days. A creditor shall declare his/her claims to the liquidation committee within 30 days from the date of receiving the notice, or if he/she does not receive such notice, within 45 days from the date of the announcement.

A creditor filing a proof of a claim shall describe the matters related to the claim and provide proof materials. The liquidation committee shall register the proof of claim.

During the period of declaring creditor's rights, the liquidation committee shall not pay off the creditor.

Article 190 Upon sorting out the assets of the Company and preparing a balance sheet and an inventory of assets, the liquidation committee shall prepare a liquidation report which shall be submitted to the shareholders' meeting or the people's court for a confirmation.

The remaining assets of the Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off the debts of the Company shall be distributed to shareholders in proportion to shares held by them.

During the liquidation period, the Company exists but shall not carry out business activities unrelated to liquidation.

The assets of the Company will not be distributed to shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Article 191 If the liquidation committee discovers that the assets of the Company are insufficient to repay its debts after sorting out the assets of the Company and preparing a balance sheet and an inventory of assets, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 192 Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the shareholders' meeting or the people's court for confirmation. The liquidation committee shall submit the same to the company registration authority within 30 days from the date of the confirmation of shareholders' meeting or people's court for application for deregistration of the Company and publicly announce the Company's termination.

Article 193 Members of the liquidation committee shall discharge their liquidation duties and they owe duties of loyalty and diligence.

If a member of the liquidation committee neglects to perform the liquidation duties and causes losses to the Company, he/she shall be liable for compensation; if a member of the liquidation committee causes losses to creditors due to intentional or gross negligence, he/she shall be liable for compensation.

Article 194 In case the Company is declared to be insolvent according to the laws, liquidation shall be processed in accordance with the laws on corporate bankruptcy.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 195 The Company shall amend the Articles of Association under any of the following circumstances:

- (I) after the amendments are made to the Company Law or relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, the provisions of the Articles of Association are in conflict with the amended laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed;
- (II) there is a change in the situation of the Company, which is inconsistent with the matters recorded in the Articles of Association;
- (III) the shareholders' meeting decides to amend the Articles of Association.

Article 196 The amendments to the Articles of Association adopted by the shareholders' meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

Article 197 The board of directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on the amendments to the Articles of Association and the approval opinions of relevant competent authorities.

Article 198 The amendment to the Articles of Association constitutes to the information required to be disclosed by the laws, regulations and regulatory rules of the place where the Company's shares are listed, and shall be announced in accordance with regulations.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 199 Definitions:

- (I) Controlling shareholder refers to shareholder or other person (one or a group of persons) who is entitled to exercise or control the exercise of 30% (or such other percentage as may from time to time be specified in the applicable PRC laws as being the threshold for triggering a mandatory general offer or establishing legal or management control over a business enterprise) or more than 30% of the voting power at shareholders' meetings of the Company; or shareholder or other person (one or a group of persons) who is able to control the composition of a majority of the board of directors of Company; or controlling shareholder as defined in relevant laws, administrative regulations or the listing rules of the place where the Company's shares are listed.
- (II) De facto controller refers the person who entitled to exert effective control over the action of the Company through investment, agreements or other arrangements.

- (III) Related (connected) person(s), related (connected) relationship and related (connected) transaction(s) shall have the meaning ascribed to them under the Hong Kong Listing Rules.

Article 200 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article 201 The Articles of Association shall be prepared in Chinese. In case of any inconsistency between the Chinese version and other translations or versions of the Articles of Association, the Chinese version approved and registered with the administration for market regulation of the place where the Company is located shall prevail.

Article 202 The term “or above”, “within” or “or below”, as stated in the Articles of Association shall include the number or amount itself; the term “exceeding”, “less than” or “more than” shall exclude the number or amount itself. The amount stated in the Articles of Association shall be denominated in RMB.

Article 203 In case the Articles of Association conflicts with the laws, administrative regulations, other relevant regulatory documents and the listing rules of the place where the Company’s shares are listed promulgated from time to time, those laws, administrative regulations and other relevant regulatory documents and listing rules of the place where the Company’s shares are listed shall prevail.

Article 204 The right of interpretation of the Articles of Association shall be vested in the board of directors of the Company.

Article 205 The annexes hereof shall include the rules of procedure for the shareholders’ meeting, the rules of procedure for the board of directors and the rules of procedure for the board of supervisors.

Article 206 The Articles of Association, upon consideration and approval at the shareholders’ meeting, shall become effective and come into effect from the date of listing and trading of the Company’s publicly issued H Shares on the main board of the Hong Kong Stock Exchange. The original articles of association of the Company shall automatically become void from the effective date of the Articles of Association.