

Tong Ren Tang Technologies Co. Ltd.

The Articles of Association

(The Articles of Association was originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.)

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CHAPTER 1 GENERAL PROVISIONS

- Article 1 To protect the legitimate rights and interests of the Company, its shareholders and creditors thereof, and to regulate the organization and acts of the Company, the Articles of Association are formulated pursuant to the Constitution of the Communist Party of China (the “Party Constitution”), the Company Law of the People’s Republic of China (the “Company Law”), the Law of the People’s Republic of China on the State-owned Assets, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and other relevant provisions.
- Article 2 The Company was established as a joint stock limited company pursuant to the Company Law and other related laws and administrative regulations of the PRC.
- The Company was established by way of promotion with the approval of the People's Government of Beijing Municipality. The primary promoter of the Company was Beijing Tong Ren Tang Co., Ltd. (北京同仁堂股份有限公司). The Company was registered with Beijing Municipal Administration for Industry and Commerce on 22 March 2000 and obtained the business license of enterprise legal person with the unified social credit code of 91110000722600841J.
- Article 3 Registered full name of the Company in Chinese: 北京同仁堂科技發展股份有限公司.
- Full name in English: TONG REN TANG TECHNOLOGIES CO. LTD.
- Article 4 Domicile of the Company: No. 16 Tongji Beilu, Beijing Economic and Technology Development Zone, Beijing, the People’s Republic of China.
- Postal code: 100076
- Article 5 The director who executes the Company's affairs on behalf of the Company shall be the legal representative of the Company. The chairman of the Company represents the Company in the execution of corporate affairs.
- If a director who is the legal representative resigns, he is deemed to have resigned as the legal representative at the same time. If a legal representative resigns, the Company shall assign a new legal representative within thirty (30) days from the date of the legal representative's resignation.
- Article 6 The Company is a joint stock limited company with perpetual succession.
- Article 7 The Articles of Association were considered and approved by way of special resolution at a general meeting and became effective from the date of approval. From the effective date onwards, the Articles of Association shall constitute a legally binding document governing the organization and activities of the Company, and the rights and obligations between the Company and its shareholders, and among the shareholders.
- Article 8 The Articles of Association shall be binding on the Company and its shareholders, directors, general manager and other senior management. All the persons mentioned

above may, pursuant to the Articles of Association, put forward claims concerning the affairs of the Company.

In accordance with the Articles of Association, the shareholders may take legal actions against the Company; the Company may take legal actions against the shareholders; the shareholders may take legal actions against other shareholders; and the shareholders may take legal actions against the directors, general manager and other senior management of the Company.

The term “legal actions” as mentioned in the preceding paragraph means lawsuits brought to courts.

Article 9 The Company may invest in other enterprises. If the law stipulates that a company may not become an investor that is jointly liable for the debts of the invested enterprise, the law shall apply.

Article 10 In accordance with the Party Constitution, the Company shall establish a Party organization of the Communist Party of China; establish a working organization of the Party and Party affairs personnel. The organization and personnel of the Party shall be incorporated into the Company’s management system and staffing. The funding of the Party organization shall be included in the Company’s budget and recorded as administrative expenses. The Company shall adhere to the leadership of the Party, strengthen the development of the Party organization, and fully exert the functions of leading core and political core of the Party organization.

Article 11 The Company adheres to the rule of law for enterprises, abides by laws and regulations, complies with social morality and business ethics, behaves in an honest and trustworthy way, accepts supervision from the government and the public, and undertakes social responsibility. The legitimate rights and interests of the Company are protected by law and shall not be infringed.

CHAPTER 2 OBJECTIVES AND BUSINESS SCOPE

Article 12 The business objectives of the Company are: to uphold the operation strategy of leveraging on the innovative technology, focusing on the quality of services and setting the economic benefits as the goal; to proactively develop new types of Chinese medicine, to explore new markets and gradually strengthen the sales network system; to improve the management of the Company pursuant to the international practice and standards and expedite the centralized group management and export-oriented development of the Company to establish itself as an integrated Chinese medicine and biological pharmaceutical group engaged in businesses of “technology, production, services and trading”.

Article 13 The business scope of the Company shall be consistent with and subject to that as approved by the company registration authorities.

The business scope of the Company covers general businesses: technology services, development of technology, technology consultancy, technology exchanges, technology transfer, technology promotion; advertising; Internet sales (except for the sale of goods that

require licensing); technology import and export; food import and export; import and export agency; goods import and export; offshore trade operations; non-residential real estate leasing; sale of type I medical devices; sale of commodity; sale of disinfectant (excluding hazardous chemicals); sale of food (only pre-packaged food); sale of healthcare food (pre-packaged). (In addition to items subject to approval by law, with a business license to independently carry out business activities) permitted items; online sale of food; import and export of drugs; business use of aquatic wildlife under the list of endangered and protected species of China and their products; tea products production; healthcare food production; pharmaceutical wholesale; commissioned pharmaceutical production; road cargo transportation (does not contain hazardous goods) [operates by subsidiaries]; pharmaceutical production [operates by subsidiaries]. (For items that require approval by law, business activities can only be commenced after approval by the relevant departments, and specific business items are subject to the approval documents or permits of the relevant departments.) (Business activities shall not be engaged in items prohibited and restricted by the state and the city's industrial policies.)

- Article 14 In light of the domestic and international market conditions, the development needs of the domestic and overseas business, and the growth capability, the Company may adjust its investment policies and change its scope and mode of business, subject to resolution passed at the shareholders' general meeting and approval from competent regulatory authorities.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

- Article 15 The capital of the Company shall be divided into shares. The shares issued by the Company shall have a par value of RMB1 per share.

- Article 16 Shares shall be issued on a fair and equitable basis and each share of the same class shall carry the same rights.

Shares of the same class issued at the same time shall be issued on the same terms and at the same price per share, and subscribers shall pay the same price for each share they subscribe.

- Article 17 The Company may issue shares to domestic and foreign investors.

“Foreign investors” mentioned in the above paragraph refer to investors from foreign countries and the regions including Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company, and “domestic investors” refer to investors within the People’s Republic of China, excluding those from the aforementioned regions, who subscribe for the shares issued by the Company.

Article 18 Shares issued by the Company but not listed or quoted on a domestic exchange are referred to as domestic unlisted shares. Domestic unlisted shares shall be centrally registered and deposited with the domestic securities registration and clearing organization. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.

Holders of domestic unlisted shares of the Company may convert all or part of their holdings into overseas listed shares and list them for trading on overseas stock

exchanges, it shall comply with the relevant regulations of the China Securities Regulatory Commission and entrust the Company to file with the China Securities Regulatory Commission for record. The listing and trading of the converted shares on overseas stock exchanges shall also comply with the regulatory procedures, regulations and requirements of overseas stock exchanges. No shareholders' general meeting is required with respect to the listing and trading of the converted shares on overseas stock exchanges.

Article 19 Upon approval of the examination and approval department, the Company issued 110,000,000 shares to the Promoter upon its incorporation, representing 100% of the total number of issued ordinary shares of the Company during its incorporation.

Article 20 72,800,000 ordinary shares were issued by the Company after its establishment, all of which are foreign shares listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), representing 39.82% of the then total share capital of the Company.

The current structure of share capital of the Company is 1,280,784,000 shares, of which 652,080,000 shares are domestic unlisted shares while 628,704,000 shares are overseas listed foreign shares. The controlling shareholder of the Company, Beijing Tong Ren Tang Co., Ltd. (北京同仁堂股份有限公司), holds 600,000,000 domestic unlisted shares, representing 46.85% of the total share capital of the Company.

Article 21 The registered capital of the Company is RMB1,280,784,000.

Article 22 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

The Company may increase its capital in the following manners:

- (1) by offering new shares for subscription to unspecified investors;
- (2) by placing new shares to its existing shareholders;
- (3) by allotting new shares to its existing shareholders;
- (4) by any other means which is permitted by laws, administrative regulations.

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

Article 23 Under the circumstances in compliance with the Articles of Association, a shareholder shall transfer his shares, whether in whole or in part, in a common way or any other way that is considered acceptable to the Board of the Directors and shall be effective only upon the signature by hand. The adoption of the standard form of transfer specified by the Hong Kong Stock Exchange is not in compliance with the Articles of Association.

No shares shall transfer to minors or persons who are mentally deficient or legally disqualified.

The Board may refuse to recognize any instrument of transfer, except:

1. such transfer fee determined by the Hong Kong Stock Exchange or such lower amount as the Board of the Company may require in other time has been paid and such fees shall not be more than the maximum amount as set out in the Listing Rules by the Hong Kong Stock Exchange from time to time;
2. the instrument of transfer involves only the overseas listed foreign shares;
3. the instrument of transfer has been chopped with the appropriate stamp.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 24 Pursuant to the provisions of the Articles of Association, the Company may reduce its registered capital.

Article 25 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of registered capital at the shareholders' general meetings and shall publish the announcement in the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in case the creditor has not received the notice, within forty-five (45) days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article 26 The Company shall not acquire shares of the Company. However, the Company may, in accordance with the procedures set out in the Articles of Association, repurchase its outstanding shares under the following circumstances:

- (1) reducing its registered capital;
- (2) merging with another company that holds shares of the Company;
- (3) utilizing shares for employee share scheme or share incentive;
- (4) acquiring shares held by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company upon their request;
- (5) using the shares for converting the convertible bonds issued by the Company to stock;
- (6) necessary acts by the Company to safeguard the corporate value and the interests of its shareholders;
- (7) other circumstances as permitted by laws and administrative regulations.

Where the Company acquires its shares on account of the circumstances (1) or (2) provided in the preceding paragraph, a resolution shall be put forward to the shareholders' general meeting; where the Company acquires shares of the Company on account of the circumstances (3), (5) or (6) provided in the preceding paragraph, a resolution may, in accordance with the authorization of the shareholders' general meeting, be put forward to the board meeting which two-thirds of the directors are present.

Subsequent to the Company's acquisition of its shares in accordance with the first paragraph of this Article, where the case falls within circumstance (1), the shares shall be cancelled within ten (10) days from the date of the acquisition; where the case falls within circumstance (2) or (4), the shares shall be transferred or cancelled within six (6) months; where the case falls within circumstance (3), (5) or (6), the number of shares of the Company that the Company held in aggregate shall not exceed 10% of the total number of issued shares of the Company, and shall be transferred or cancelled within three (3) years.

Where the Company acquires shares of the Company, the obligation of disclosure shall be performed in accordance with requirements of relevant laws and regulations. Where the Company acquires shares of the Company on account of the circumstances (3), (5) or (6) provided in the first paragraph of this Article, such acquisition shall be conducted by way of public and centralized transaction.

The Company shall not accept any pledge of its shares.

CHAPTER 5 FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES

Article 27 The Company shall not provide gift, loan, guarantee, or other financial assistance to others to acquire the shares of the Company or its parent company, except when the Company implements the employee share scheme.

For the benefit of the Company, the Company may provide financial assistance to others to acquire the shares of the Company or its parent company subject to the resolution in shareholders' general meeting, or the resolution of the Board of Directors in accordance with the Articles of Association or the authorization of shareholders' general meeting, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total share capital in issue. Resolutions of the Board of Directors shall be approved by more than two-thirds of all Directors.

If the requirements of the preceding two paragraphs are violated and the Company suffers losses as a result thereof, the directors and senior management in charge shall be liable to compensate the Company.

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 28 Shares of the Company shall be in the form of share certificates. Share certificates are certificates issued by the Company evidencing the shares held by the

shareholders.

Article 29 Share certificates issued by the Company are registered share certificates.

In addition to those provided in the Company Law, a share certificate of the Company shall also contain other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

Article 30 The Company shall prepare a register of members and maintain it at the Company which shall contain the following particulars:

- (1) the name, address (domicile);
- (2) the class and number of shares subscribed by each shareholder;
- (3) for share certificates in paper form, the serial numbers of share certificates;
- (4) the date on which each shareholder acquires the shares.

The register of members shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 31 Where laws, regulations and competent securities regulatory authorities where the shares of the Company are listed stipulate the period of closure of the register of shareholders before the date of a shareholders' general meeting or before the record date for the Company's distribution of dividends, such provisions shall prevail. In addition, subject to such regulations as may from time to time be in force under the laws of Hong Kong, the Hong Kong branch register of members may be closed for such period as the Board may determine.

Article 32 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of members at the end of such date are shareholders of the Company.

CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 33 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of members.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Article 34 The ordinary shareholders of the Company shall be entitled to the following rights:

- (1) the right to dividends and other distributions in proportion to the number of shares held;
- (2) the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting right;

- (3) the right to put forward proposals and raise inquiries in respect of the operation of the Company;
- (4) the right to transfer shares in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including: inspecting and making copy of the Articles of Association, the register of members, minutes of shareholders' general meetings, resolutions of board meetings and financial accounting report.

Where a shareholder who separately or collectively holds more than 3% of shares of the Company for more than 180 consecutive days requests to inspect the accounting books and vouchers of the Company, he/she shall submit a written request to the Company stating the purpose. Where the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within fifteen (15) days from the date of the shareholder's written request, stating the reasons therefor. Where the Company refuses to provide access for inspection, the shareholder may file a lawsuit with the People's Court.

Shareholders may appoint an accounting firm, a law firm or other intermediaries to inspect the materials specified in the preceding paragraph. The Shareholders and the appointed accounting firms, law firms or other intermediaries shall comply with requirements of relevant laws and administrative regulations relating to the protection of state secrets, commercial secrets, personal privacy and personal information when they inspect the materials and make copy thereof.

The requirements in the preceding two paragraphs are applicable to shareholders who request to inspect or make copy of relevant materials of the Company's wholly owned subsidiary.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) other rights conferred by laws, administrative regulations and the Articles of Association.

Article 35 The ordinary shareholders of the Company shall assume the following obligations:

- (1) To comply with the Articles of Association;
- (2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) Other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not obliged to make any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

Article 36 In addition to obligations imposed by laws, administrative regulations or required

by the listing rules of the stock exchange(s) on which shares of the Company are listed, a controlling shareholder or de facto controllers shall not jeopardize the interests of the Company by its connected relationship when exercising their rights as shareholders, if the abovementioned requirement is violated and the Company suffers losses as a result thereof, they shall be liable to compensate the Company.

Controlling shareholders or de facto controllers of the Company who instruct directors or senior management to take actions jeopardizing the Company's or shareholders' interests, they shall have joint liability with such directors or senior management.

Article 37 The term "controlling shareholder" mentioned in this Articles of Association refers to shareholder who holds more than 50% of the Company's share capital or shares; or shareholder whose share proportion is less than 50% of the Company's share capital but whose voting rights have significant influence on the resolution of the shareholders' general meeting.

A de facto controller refers to the person who is able to exercise control over the acts of the Company through an investment relationship, agreement or other arrangements. Connected relationship refers to the relationship between the controlling shareholders, de facto controllers, directors, senior management and enterprises under their direct or indirect control, and any other relationship that may lead to the transfer of the Company's interests. However, relationship between state-owned enterprises shall not be deemed as connected relationship solely because they are under common control of the government. Where the Listing Rules provided other requirements to connected relationship, the Listing Rules shall prevail.

CHAPTER 8 SHAREHOLDERS' GENERAL MEETINGS

Article 38 The shareholders' general meeting is the authority of the Company and shall exercise its duties and powers in accordance with laws.

Article 39 The shareholders' general meeting may exercise the following duties and powers:

- (1) to elect and replace Directors and decide on matters relating to the remuneration of Directors;
- (2) to consider and approve reports of the Board;
- (3) to consider and approve the profit distribution plans and loss recovery plans;
- (4) to make resolutions on increase or reduction in the registered capital of the Company;
- (5) to make resolutions on matters such as merger, division, dissolution, liquidation or change of the form of the Company;
- (6) to make resolutions on the issuance of bonds of the Company;
- (7) to make resolutions on the appointment, dismissal or non-reappointment of external auditors and its remuneration by the Company;
- (8) to amend the Articles of Association;
- (9) to consider the motions submitted by shareholders individually or in

aggregate holding 1% or more of the voting shares of the Company, except for those motions that violate the provisions of laws, administrative regulations or the Articles of Association, or do not fall within the scope of terms of reference of the shareholders' general meeting;

(10) other matters to be resolved by the shareholders' general meetings as required by laws, administrative regulations and the Articles of Association.

The shareholders' general meeting may authorize the Board of Directors to make resolutions regarding issuance of the Company's bonds.

Article 40 General meetings shall include annual general meetings and extraordinary general meetings. A general meeting shall be convened by the Board. The annual general meetings shall be held once every financial year within six months after the end of the previous fiscal year.

The Board shall hold an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (1) the number of Directors is below the required number as prescribed by the Company Law or less than two-thirds of the required number hereunder;
- (2) the uncovered losses are in excess of one third of the total share capital of the Company;
- (3) shareholders either individually or jointly holding 10% or more of the Company's shares request for a meeting;
- (4) the Board considers it necessary or the audit committee of the Board (also referred as the "Audit Committee", the meanings ascribed to the audit committee of the Board and Audit Committee in this Articles of Association are equivalent) proposes convening such a meeting;
- (5) other circumstances provided in the Articles of Association.

Article 41 To convene an annual general meeting, the Company shall notify the shareholders of the time, venue and matters to be considered by means of announcement twenty-one (21) days prior to the meeting; and the Company shall notify the shareholders by means of announcement fifteen (15) days prior to an extraordinary general meeting. When calculating the period for issuing the notice, the date of the meeting shall be excluded. Where laws, regulations and competent securities regulatory authorities where the shares of the Company are listed otherwise stipulate, such provisions shall prevail.

The venue for convening a general meeting of the Company includes the Company's domicile, the principal place of the Company's production and operations, or other locations specified in the meeting notice. A physical venue shall be set up for the general meeting, which shall be held in the form of a physical meeting.

Where permitted by the Company Law and the regulatory rules of the place where the Company's shares are listed, the Company may also convene the meeting by other means (including electronic communication) recognized or required by the regulatory rules of the place where the Company's shares are listed, or by a combination of a physical meeting and other means (including electronic communication). Where conditions permit, the Company may, as the case may be,

provide online participation, electronic voting, electronic communication, and other means as appropriate to facilitate shareholders' participation, speaking, and voting at the general meeting. Shareholders participating in the general meeting through the above methods shall be deemed present. When the Company adopts electronic communication to hold a general meeting and conduct voting, it shall act in accordance with the Company Law and the relevant regulations of the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed.

Article 42 When the Company convenes a general meeting, shareholder(s) holding, individually or in aggregate, 1% or more of the total voting shares of the Company shall have the right to propose and submit in writing to the Board interim proposals ten (10) days prior to convening the shareholders' general meeting. The Board shall notify other shareholders by means of announcement within two (2) days of receipt of such proposals and submit such proposal for consideration and approval at the shareholders' general meeting; except for interim proposals that violate the provisions of laws, administrative regulations or the Articles of Association, or do not fall within the scope of terms of reference of the shareholders' general meeting. The contents of an interim proposal shall fall within the terms of reference of the shareholders' general meetings and shall contain definite subject and specific matters to be decided. The Company shall not increase the shareholding of shareholders who submit interim proposals.

Article 43 Matters which are not included in the notices set out in Articles 42 and 44 of this Articles of Association shall not be resolved at the shareholders' general meeting.

Article 44 A notice of the shareholders' general meeting shall meet the following requirements:

- (1) it shall be given in writing;
- (2) it shall specify the venue, date and time of the meeting;
- (3) it shall state the matters to be considered at the meeting;
- (4) it shall provide shareholders with required information and explanations to enable the shareholders to make sensible decisions on the matters considered;
- (5) in the event that any of the Directors, general manager or other senior management has material interests in the matters to be considered, the nature and extent of such interests at stake shall be disclosed. In the event that the impact of the matters to be considered on the Directors, president and other senior management as shareholders is different from that on the other shareholders of the same class, the difference shall be explained;
- (6) it shall contain the full text of any special resolution to be proposed at the meeting;
- (7) it shall explain in clear text that a shareholder entitled to attend and vote at such meeting has the right to appoint one or more proxies to attend and vote at such meeting on his behalf. A proxy need not be a shareholder;
- (8) it shall specify the time and place for lodging proxy forms for the relevant meeting.

Article 45 The notice of general meeting, information or explanatory statement shall be served

to the shareholders and delivered by any of the following means:

- (1) by personal delivery or by mail to the registered address of each of such holders of overseas listed shares;
- (2) posting on the Company's website or the website designated by the stock exchange where shares of the Company are listed according to applicable laws, administrative regulations and the relevant listing rules; or
- (3) any other means acceptable to the stock exchange where shares of the Company are listed.

For shareholders holding domestic unlisted shares, the notice of shareholders' general meeting may also be issued by means of announcement.

Article 46 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 47 A shareholder who appoints a proxy to attend shareholders' general meeting shall specify the matters in which the proxy will act, the authority, and the period; the proxy shall submit the shareholder's proxy form to the Company and exercise the voting rights within the scope of the proxy form.

Article 48 If the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized.

A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the shareholders' general meeting of the Company as a representative of the appointer.

Article 49 A shareholder of the Company may authorise such person as he/she may deem as fit to act as his/her proxy at any meeting of the Company. If more than one person is so authorised, the proxy form shall specify the class and number of shares in respect of which the authorisation is granted. The above authorised person is entitled to exercise rights on behalf of the shareholder.

If the shareholder is a recognised clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), such shareholder may authorise one or more person as it may think fit to act as its proxy at any shareholders' general meeting and meeting of creditors, provided that if more than one person is so authorised, the proxy form shall specify the number and class of shares in respect of which the authorisation is granted to each such person. The persons so authorised may exercise the rights of the recognised clearing house on behalf of the recognized clearing house (or its “agent”) as if such persons were individual shareholders of the Company.

Article 50 The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions put forward in the shareholders' general meeting shall be passed by over half of the shareholders (including their proxies) with voting rights attending the meeting.

Special resolutions put forward in the shareholders' general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) with voting rights attending the meeting.

Article 51 A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. The shares of the Company held by the Company carry no voting rights.

If any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 52 The following matters shall be approved by ordinary resolutions of a shareholders' general meeting:

- (1) work reports of the board of Directors;
- (2) plans formulated by the board of Directors for profit distribution and making up losses;
- (3) appointment or removal of the members of the Board, and determination of their emoluments and method of payment;
- (4) annual reports of the Company;
- (5) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations or the Articles of Association.

Article 53 The following resolutions shall be adopted as special resolutions at a General Meeting:

- (1) increase or decrease of registered capital of the Company;
- (2) issuance of debentures of the Company;
- (3) division, merger, dissolution or change of the form of the Company;
- (4) amendments to the Articles of Association;
- (5) purchase or disposal of material assets or provision of guarantee by the Company of a value exceeding 30% of the Company's total assets within one year
- (6) any other matters which shall be approved by way of a special resolution as required by laws, administrative regulations or this Article.

Article 54 Shareholder(s) who individually or in aggregate hold more than 10% of the shares may request to convene an extraordinary general meeting, the Board of Directors

shall determine whether an extraordinary general meeting shall be convened within ten (10) days upon the receipt of such request, and reply the shareholders in writing.

The cost incurred by the shareholders as a result of the failure of the Board of Directors to convene such meeting as requested above shall be borne by the Company.

Article 55 The shareholders' general meeting shall be convened by the Board of Directors and presided by the chairman of the Board; where the chairman of the Board is unable to perform or fails to perform his/her duties, it shall be presided by the vice chairman (if any) of the Board; where the vice chairman (if any) of the Board is unable to perform or fails to perform his/her duties, it may be presided by one Director collectively elected by over half of the Directors.

Where the Board of Directors is unable to perform or fails to perform its duty to convene a shareholders' general meeting, the audit committee of the Board of Directors shall convene and preside it in a timely manner; where the audit committee of the Board of Directors fails to convene and preside a shareholders' general meeting, shareholders who, for more than ninety (90) consecutive days, individually or in aggregate holding more than 10% of the Company's shares may convene the meeting on their own.

Article 56 In the event that the presiding officer of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the presiding officer of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the presiding officer of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the presiding officer of the meeting shall have the votes counted immediately.

Article 57 In the event that the votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

Article 58 The shareholders' general meeting shall record the resolutions passed as minutes of the meeting, the presiding officer and directors attending the meeting shall sign on the minutes of the meeting. The minutes of the meeting shall be kept together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting.

CHAPTER 9 PARTY COMMITTEE

Article 59 The Company shall establish the Communist Party Committee of Tong Ren Tang Technologies Co. Ltd. (the "**Party Committee**") and Committee for Discipline Inspection of the Communist Party of Tong Ren Tang Technologies Co. Ltd. (the "**Discipline Committee**").

Article 60 The Party Committee of the Company generally consists of five to nine members,

including one secretary and one to two deputy secretaries (one of them is in charge of the Party development in the Company). Generally the Chairman shall also act as the Party Committee Secretary of the Company, and insist on and improve “two-way entry, cross-service” leadership mechanism. Eligible Party committee members may take seats in the Board of Directors and the management through legal procedures. Eligible members of the Board of Directors and the management who are Party members may take seats in the Party Committee of the Company in accordance with the relevant regulations and procedures. The Company’s discipline committee is generally composed of three members, including a secretary.

The Party Committee of the Company implements a system integrating group leadership and division of labor, and the members of the leadership team of the Party organizations including the Board of Directors and the management must carry out the decision made by the Party organizations.

Article 61 The Party Committee of the Company shall exert its leadership to take the right direction, consider the overall situation and ensure effective implementation, and conduct discussion and decision-making on major corporate matters as required by regulations. Its primary responsibilities are as follows:

- (1) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics, as well as educate and guide all Party members to closely align with the Party Central Committee with Comrade Xi Jinping at its core in terms of the political stance, direction, principles and path;
- (2) to thoroughly study and implement Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, learn and propagate the Party’s theory, thoroughly implement the Party’s route, principles and policies, as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organization at higher levels in the Company;
- (3) to investigate and discuss the significant operation and management matters of the Company and support the general meetings, the Board of Directors and the management to exercise their rights and perform their duties in accordance with the laws;
- (4) to strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre and talents team of the Company;
- (5) to undertake the main responsibility of improving Party conduct and upholding integrity, lead and support the internal discipline inspection organization to fulfill its supervisory and disciplining responsibilities as well as exercise stringent administrative discipline and political rules, promote Party self-governance in every aspect and with rigor into the primary level;
- (6) to strengthen the building of primary-level Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and

unite and lead employees company-wide to devote themselves into the reform and development of the Company;

(7) to lead the Company's ideological and political work, the spirit and civilization progress, the United Front work and lead the Labor Union, Communist Youth League, Women's Organization and other mass organizations of the Company.

CHAPTER 10 BOARD OF DIRECTORS

Article 62 The Company sets a Board, which shall comprise nine (9) Directors, including one Chairman and may including vice chairman (chairmen). The members of the Board of Directors shall comprise of one representative of staff and workers.

The dismissal of directors may be resolved at the general meetings with effect from the date such resolution was made. If a director is dismissed before the expiry of his/her term of office without justifiable reasons, he/she may claim compensation from the Company.

The representative of staff and workers on the Board of Directors is democratically elected by the Company's staff and workers through the meeting of representatives of staff and workers, such election need not to be submitted to the general meetings for consideration, and the term of office of the representative of staff and workers shall be the same as other Directors. The representatives of staff and workers may be dismissed by resolution at the meeting of representatives of staff and workers.

Article 63 Directors shall be elected at general meetings. The term of office of the Directors shall be three (3) years. Upon maturity of the current term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment. In the event of failure to timely call for re-election on the expiry of term of office of directors, or the number of the Directors on the Board being less than the quorum due to the resignation of a Director within his/her term, the original directors shall, prior to the assumption of office by re-elected directors, continue to perform their duties as directors in accordance with the provisions of laws, administrative regulations and the Articles of Association. Any person appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting after his appointment, and shall then be eligible for re-election and re-appointment.

In the event of resignation of a Director, he/she shall notify the Company in writing, and the resignation shall take effect from the date upon the Company's receipt of such notice. However, under the circumstances specified in the preceding paragraph, the Director shall continue to perform his/her duties.

The Chairman and Vice Chairman (if any) of the Board shall be elected and removed by more than one-half of all Directors. The term of office of the Chairman and Vice Chairman (if any) shall be three (3) years, renewable upon re-election.

A Director is not required to hold any shares of the Company.

At the re-election of the Board of Directors, external directors shall account for majority, and there shall be at least three independent Directors, at least one of whom

shall have the professional qualification prescribed under the Listing Rules, or have the requisite expertise in accounting or related financial management. Opinions of the independent Directors shall be clearly stated in the resolutions of the Board.

Article 64 The Board shall perform the duties of developing strategies, making decisions and preventing risks, and report to the shareholders' general meeting and exercises the following powers:

- (1) to convene shareholders' general meetings and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's profit distribution plans and plans on making up losses;
- (5) to formulate the proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company;
- (6) to formulate plans for merger, division and dissolution or change of the form of the Company;
- (7) to determine the establishment of the Company's internal management structure;
- (8) to determine the appointment or removal of the general manager of the Company and the deputy general manager and financial officer and general legal counsel and secretary of the Board and chief quality officer and company secretary of the Company and to decide on their remunerations;
- (9) to formulate the basic management system of the Company;
- (10) to formulate proposals for amendment to the Articles of Association;
- (11) to determine the establishment of specific committees and to appoint and remove the relevant persons in charge;
- (12) to exercise other duties and powers provided by laws and regulations or these Articles of Association, as well as those conferred by the shareholders' general meeting.

Except for the Board resolutions in respect of the matters specified in subparagraphs (5), (6) and (10) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters shall be passed by over half of the Directors. Any matter which belongs to major decision-makings, important personnel appointments and dismissals, or major project arrangements and large-sum capital operations is subject to the study and discussion by the Party organization before the Board and management make any decision.

Article 65 Where a Director of the Company is related with the enterprises or individuals involved in the resolution at the Board meeting, he/she shall promptly report to the Board in writing. Such Director shall not exercise his/her voting rights on such resolution nor can he/she exercise any voting rights on behalf of other Directors. Such Board meeting may be held if it is quorated by over half of the non-related Directors.

The resolutions of the board meeting shall be passed by more than one half of non-related Directors, and the resolutions at the Board meeting shall be passed by over half of the non-related Directors. If the number of non-related Directors attending the Board meeting is less than three (3), such matter shall be put forward to the shareholders' general meeting for consideration.

Article 66 The Chairman of the Board is entitled to the following duties and powers:

- (1) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the Board;
- (3) to exercise other powers conferred by the Board.

The Vice Chairman shall assist the Chairman in his work. If the Chairman is unable to perform or fails to perform his/her duties, the Vice Chairman (if any), shall perform the duties, or, if there is no such Vice Chairman, or the Vice Chairman is unable to perform or fails to perform his/her duties, a Director elected jointly by over half of the Directors shall perform the duties.

Article 67 Meetings of the Board shall be held at least four times every year and shall be convened by the Chairman of the Board. All of the Directors and supervisors shall be notified about the meeting fourteen (14) days beforehand. In case of emergency, an extraordinary Board meeting may be held if it is so requested by more than one-third of the Directors, the Chairman of the Board, shareholders aggregately holding more than one-tenth of voting shares, the audit committee of the Board or the general manager of the Company. Extraordinary Board meeting must be convened when the Party Committee of the Company considers it as necessary. All Directors shall be notified about the extraordinary Board meeting within a reasonable time before the meeting. In case of emergency which requires an extraordinary Board meeting to be held as soon as possible, notice of such meeting can be given by phone or any other verbal method, provided that the convener makes an explanation thereof at the meeting.

Article 68 The Board meeting may be held with more than half of the Directors present.

Each Director shall have a ballot for voting. Unless otherwise provided in the Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.

The meeting of the Board or any of its committees may be held by way of telephone, telephone conference or other electronic means of communication, provided that all participants of such meetings shall be able to communicate with each other via voice in a timely manner. All Directors participating in meetings by means stated herein shall be deemed to be present in person at the meeting.

Article 69 Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall specify the extent of authorization.

A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his right to vote at the meeting.

Article 70 The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the Directors present at the meeting and the person who recorded the minutes. The implementation of resolutions of the Board shall be organized by the general manager (or a person designated by the Board). The management regularly reports to the Board on the execution and implementation of previous resolutions of the Board. The Directors have the right to make enquiries on the implementation of previous resolutions of the Board.

In the process of implementing the resolutions of the Board, the Board supervises and inspects the implementation of the relevant resolutions to ensure that the resolutions of the Board are properly and effectively implemented.

The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association or resolutions at shareholders' general meetings and causing serious losses to the Company as a result thereof, the Directors who participated in the passing of such resolution are liable to compensate the Company. If it can be proven that a Director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such Director may be released from such liability.

Article 71 The Board of Directors of the Company shall set up relevant special committees including an audit committee, a nomination committee, a remuneration committee, and a strategy and planning committee. The special committees shall be accountable to the Board and discharge their duties in accordance with this Articles and Association and the authorization from the Board.

All members of the audit committee, the nomination committee, the remuneration committee, and the strategy and planning committee are composed of Directors, among which, the audit committee is composed of independent non-executive Directors and chaired by a professional possessing accounting expertise. The nomination committee comprises a majority of independent non-executive Directors and is chaired by the Chairman of the Board. The remuneration committee comprises a majority of independent non-executive Directors and is chaired by an independent non-executive Director. The strategy and planning committee comprises a majority of independent non-executive Directors and is chaired by the Chairman of Board. The Board of Directors is responsible for formulating the terms of reference of the special committees and regulate the operations of the special committees.

Article 72 The Board of Directors sets up an audit committee, and the Company no longer sets up a supervisory committee or supervisors. The duties and powers stipulated in the Terms of Reference for the Audit Committee and the duties and powers of a supervisory committee stipulated in the Company Law shall be exercised by the

audit committee.

Article 73 The audit committee of the Board shall comprise at least three (3) members, where all members shall be non-executive Directors with independent non-executive Directors being the majority. At least one independent non-executive Director shall possess appropriate professional qualifications prescribed in the Listing Rules, or accounting or related financial management expertise, and the independent non-executive Director who possesses accounting or related financial management expertise shall act as the convener (i.e. the chairman of the audit committee).

Article 74 A resolution made by the Audit Committee shall be approved by more than half of the members of the Audit Committee.

The voting on the resolutions of the Audit Committee shall adopt one vote per person.

A minute of meeting of resolutions of the Audit Committee shall be kept in accordance with the requirements, and members of the Audit Committee attending the meeting shall sign on the minute.

CHAPTER 11 SECRETARY TO THE BOARD OF THE COMPANY

Article 75 The Company shall have a Secretary to the Board to be responsible for matters such as the preparation of the shareholders' general meetings and Board meetings of the Company, the safekeeping of documents, the management of the information of shareholders of the Company and the handling of information disclosure affairs, and who is a senior management member of the Company.

Article 76 Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

(1) to ensure that the Company has complete organisational documents and records;

(2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the laws;

(3) to ensure that the Company's registers of members are properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay.

Article 77 Director or other senior management members may concurrently hold the post of the secretary to the Board. The accountant(s) of the certified public accountants' firm appointed by the Company shall not concurrently hold the post of the secretary to the Board.

CHAPTER 12 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Article 78 The Company shall have one general manager, as well as deputy general manager, financial officer, general legal counsel, secretary of the Board, company secretary and other senior management, who shall be appointed and dismissed by the Board.

The general manager and other senior management shall perform the duties of operation planning, implementation monitoring and management strengthening.

Article 79 The senior management of the Company shall be appointed for a term of three years, renewable upon re-appointment.

Article 80 The general manager of the Company shall be accountable to the Board and exercise the following powers:

- (1) to lead the Company's production, operation and management, organize resources to carry out the Board's resolutions and report to the Board;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate the specific rules and regulations of Company;
- (6) to propose the appointment or dismissal of the Company's deputy general manager(s) and chief financial officer and general legal counsel and chief quality officer;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) to exercise other powers conferred by the Articles of Association and the Board.

Article 81 The general manager of the Company shall attend Board meetings.

Article 82 The senior management of the Company shall act honestly and diligently and comply with the laws, administrative regulations and the Articles of Association. A senior management member shall be personally liable for any loss suffered by the Company as a result of a violation by him of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties.

CHAPTER 13 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Article 83 A person shall be disqualified for being a director, a general manager or other senior management members of the Company in any of the following circumstances:

- (1) the individual has no capacity to undertake civil liabilities or restricted capacity to undertake civil liabilities;
- (2) the penalisation on conviction of corruption, bribery, unauthorised taking of property, misappropriation of property or disrupting socialist market economic order; or a period of five years has not yet elapsed since being deprived of political

rights for commission of offences; or if the individual has been granted a suspended sentence, a period of less than two years since the date of the expiry of the probation period of the suspended sentence;

(3) a period of three years has not yet elapsed since the completion of the liquidation of any Company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such Company or enterprise and was personally liable for such insolvency;

(4) a period of three years has not yet elapsed since revocation of the business license or order to close down of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;

(5) the person is personally liable for a substantial loan which is due for payment but remains unpaid and is listed by the People's Court as a judgment defaulter;

(6) the person has been involved in a criminal offence which is subject to investigation by the judicial authority, and the case remains unsettled;

(7) the person is not eligible for acting in the leadership of a Company or an enterprise according to the laws or administrative regulations;

(8) the person is not a natural person;

(9) a period of five years has not yet elapsed since the person was adjudged by the relevant regulatory authorities to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty.

Any election or appointment of directors or senior management members in violation of the provisions of the preceding paragraph shall be invalid.

Where any director or senior management members has any circumstance described above in the first paragraph of this Article during his/her tenure, the Company shall remove him/her from office.

Article 84 The validity of an act of a director, general manager and other senior management members on behalf of the Company is not, vis-a'-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Article 85 Directors and senior management members of the Company owe a duty of loyalty to the Company. They shall take measures to avoid conflicts of interest between their own interests and those of the Company and shall not take advantage of their positions to seek improper benefits.

Directors and senior management members owe a duty of diligence to the Company. In performing their duties, they shall exercise the level of care that a reasonably prudent manager would exercise in the best interests of the Company.

Article 86 Directors and senior management members of the Company shall not operate businesses, either self-owned or owned by others, similar to those of the company they serve. Income generated by directors or senior management members in

violation of the provisions in this Article shall be retained for the benefit of the Company.

Article 87 The directors and senior management members of the Company shall not:

- (1) embezzle the property of the Company, or misappropriate the funds of the Company;
- (2) deposit the funds of the Company in the account under its individual name or under the name of other individuals;
- (3) take advantage of their duties and powers to bribe or accept other illegal income;
- (4) accept commissions from others for transactions with the Company for his/her own benefit;
- (5) disclose without authorization of secrets of the Company;
- (6) commit other acts in breach of the duty of loyalty to the Company.

Income generated by directors or senior management members in violation of the provisions in this Article shall be retained for the benefit of the Company.

Article 88 Directors and senior management members of the Company shall not take advantage of his/her duties in seeking business opportunities belonging to the Company for himself/herself or others.

Income generated by directors or senior management members in violation of the provisions in this Article shall be retained for the benefit of the Company.

Article 89 The fiduciary duties of each director, general manager and other senior management members of the Company shall not be necessarily ceased with the termination of his tenure. The duty of confidentiality in relation to trade secrets of the Company shall survive upon termination of his tenure. Other duties may continue for such period as fairness may require depending on the time lapses between the termination and the act concerned and the circumstances and conditions under which the relationships between him and the Company are terminated.

Article 90 Any contract entered into or transaction engaged in by Directors or senior management members of the Company directly or indirectly with the Company shall be reported to the Board or the shareholders' general meeting on matters relating to such contracts or transactions and shall be approved by way of a resolution of the Board or the shareholders' general meeting in accordance with the provisions of the Articles of Association. The related directors shall not participate in the voting and their voting rights shall not be counted towards the total number of voting rights. If the number of non-related directors attending the Board meeting is less than three (3), such matters shall be submitted to the shareholders' general meeting for consideration. Income generated by directors or senior management members in violation of the provisions in this Article shall be retained for the benefit of the Company.

The preceding paragraph shall also apply to the close relatives of directors or

senior management members, enterprises directly or indirectly controlled by directors or senior management members or their close relatives, and parties having other related-party relationships with directors or senior management members who enter into contracts or engage in transactions with the Company.

- Article 91 If the directors and senior management members of the Company violated the provisions of laws, administrative regulations or the Articles of Association in the performance of his/her duties, and the Company suffers losses as a result thereof, they shall be liable to compensate the Company:
- Article 92 If the directors and senior management members of the Company violated the provisions of laws, administrative regulations or the Articles of Association in infringement of shareholders' interests, a shareholder may bring a lawsuit to the People's Court.
- Article 93 If the directors and senior management members of the Company cause losses to others in the performance of his/her duties, the Company shall be liable for compensation; if the directors and senior management members are intentional or grossly negligent, they shall also be liable for compensation.
- Article 94 Controlling shareholders or de facto controllers of the Company who instruct directors or senior management members to take actions jeopardizing the Company or shareholders' interests, they shall have joint liability with such directors or senior management members.

CHAPTER 14 EMPLOYEE DEMOCRATIC MANAGEMENT AND LABOR AND PERSONNEL SYSTEM

- Article 95 The Company establishes and improves the employee representatives' general meeting. The employee representatives' general meeting is the basic form of democratic management of the Company and the organ through which the employees exercise their democratic management rights.
- Article 96 Workers of the Company shall organize labor union, conduct trade union activities and safeguard the legal interests of workers in accordance with the PRC Trade Union Law. The Company shall provide conditions which are prerequisite for the activities of the trade union. The labor union is responsible for the daily work of the employee representative assembly.
- Article 97 The Company shall comply with national laws and administrative regulations on labor employment, labor protection, safe production and social security, and implement the national labor protection, social insurance system and related policies, and is obliged to respect and protect the legitimate rights and interests of its employees. The Company shall formulate labor, personnel and wage system in accordance with the national laws, administrative regulations and policies on labor and personnel and the needs of production and operation.

CHAPTER 15 GENERAL LEGAL COUNSEL SYSTEM

- Article 98 The Company adopts the general legal counsel system to further exert the function of general legal counsel of the Company in legal review and supervision of operation and management, thereby facilitating the legal operation and compliance management of the Company. The general legal counsel shall be nominated by the general manager, and shall be appointed by the Board.
- Article 99 The general legal counsel is a senior management member appointed by the Board and is the specific leader of the Company's rule of law efforts. The general legal counsel shall be responsible for legal affairs of the Company by coordinating and handling legal affairs in decision-making, operation and management of the Company, as well as legal compliance review of major decisions. The general legal counsel reports directly to the general manager or Chairman of the Board and is accountable to the Board.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT AND ACCOUNTABILITY OF NON-COMPLIANCE OF OPERATION AND INVESTMENT

- Article 100 The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and the PRC accounting standards formulated by the finance regulatory department of the State Council.
- Article 101 At the end of each fiscal year, the Company shall prepare a financial accounting report, which shall be audited by an accounting firm in accordance with laws. The financial accounting report shall be prepared in accordance with the provisions of laws, administrative regulations and financial departments of the State Council.
- Article 102 The Board shall, at each annual general meeting, submit to shareholders the financial reports prepared by the Company in accordance with the provisions for normative documents which are promulgated by the relevant laws, administrative regulations and local governments and departmental authorities.
- Article 103 The Company's financial accounting reports shall be made available for shareholders' inspection at the Company and be published not later than 20 days before the date of each annual general meeting.
- Article 104 The Company shall not keep account books other than those provided for by the laws. The funds of the Company shall not be deposited in any account opened in an individual's own name.
- Article 105 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the accumulated statutory reserve fund of the Company is more than 50% of the registered capital of the Company, no further appropriation is required.
- If the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the Company shall first make up for the losses with the current year's profits before making allocations to the statutory reserve fund in accordance with the preceding paragraph.

After making allocations to the statutory reserve fund from the after-tax profits, the Company may also make allocations to the discretionary reserve fund from the after-tax profits upon the resolution of the shareholders' general meeting.

After making up for the losses and withdrawing the reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to their shareholdings.

Shares held by the Company shall not be distributed.

Article 106 Where the Company distributes profits to shareholders in violation of this Articles of Association, the shareholders shall return the profits distributed in violation of the provisions to the Company; where any loss is caused to the Company, the shareholders and the responsible directors and senior management members shall be liable for compensation.

Article 107 The reserve fund of the Company shall be applied to make up for the Company's losses, expand its business operations or increase its registered capital.

The discretionary reserve fund and statutory reserve fund shall be used first to make up for the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with the provisions.

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

Article 108 The Company implement an internal audit system with dedicated audit persons to conduct internal audit and supervision of revenue and expenditures and economic activities of the Company. The internal audit system and duties of audit personnel of the Company shall be approved by Board before such system and duties are to be implemented. The audit department shall be accountable to, and report its work to, the Board.

Article 109 If any personnel of the Company violate the laws and regulations, the rules and regulations for the supervision of state-owned assets and the internal management system of the Company, fail to perform or fail to properly perform their duties, and cause losses of state-owned assets or other serious adverse consequences in the operation and investment, those responsible will be held accountable.

Article 110 Accountability for non-compliance of operation and investment includes but is not limited to the following areas: corporate control, risk management, project contracting, capital management, transfer of property rights (including the equity and assets of the respective company), fixed assets investment, investment mergers and acquisitions, reorganization and restructuring, overseas operation and investment, etc.

Article 111 Investigation and verification of non-compliance of operation and investment, confirmation of responsibility and consequential actions shall be carried out in accordance with the relevant laws and regulations and related rules and systems of the Company.

CHAPTER 17 APPOINTMENT OF ACCOUNTANT FIRM

Article 112 The Company shall appoint an independent accountant firm which is qualified under the relevant regulations of the PRC to audit annual reports of the Company and review the other financial reports of the Company.

The appointment and dismissal of accounting firm responsible for the auditing of the Company shall be determined by the shareholders' general meeting. The accounting firm shall be allowed to state its views when a shareholders' general meeting of the Company conducts a vote on the dismissal of the accounting firm.

Article 113 When selecting and appointing accounting firms, the Company shall adopt competitive negotiation, open bidding, invited bidding and other means that the competence of such accounting firm can be known well so as to ensure that the selection and appointment process is carried out fairly and impartially.

The Company shall specify the evaluation criteria for selection and appointment of an accounting firm, evaluate the application documents of the proposed accounting firms, and record and maintain the evaluation opinions of the persons participating in the evaluation.

In principle, the continuous engagement of the same accounting firm shall not exceed eight (8) years. If the Company intends to continue engaging the same accounting firm for more than eight (8) years due to business needs, it shall comprehensively consider the quality of the accounting firm's previous audits, the shareholders' evaluation, regulatory opinions, etc., and may appropriately extend the term of engagement after performing decision-making procedures, subject to a term of continuous engagement not exceeding ten (10) years.

If an audit project partner and a signatory certified public accountant have actually undertaken the Company's audit service for five years, they shall not be allowed to participate in the Company's audit service for five consecutive years thereafter.

Article 114 The Company shall provide the true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the engaged accounting firm, and it shall not refuse or withhold any such information nor shall it provide any false information.

Article 115 (1) Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accountant firm which is not an incumbent firm to fill a casual vacancy in the office of the accountant firm, re-appointment of a retiring accountant firm which was appointed by the Board of the Company to fill a casual vacancy, or removal of the accountant firm before the expiration of its term of office, the following provisions shall apply:

1. a copy of the proposal shall be sent before notice of meeting is given to the shareholders to the accountant firm proposed to be appointed or proposing to leave its post, or the accountant firm which has left its post in the relevant fiscal year. (Leaving from office includes leaving by removal, resignation and retirement.);

2. if the accountant firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the written representations are received too late):

(i) state the fact of the representations having been made by the accountant firm leaving in any notice of the resolution given to shareholders, and

(ii) deliver a copy of the representations to each shareholder who is entitled to receive the notice of general meetings.

3. the relevant accountant firm may (in addition to its right to be heard) require that the representations be read out at the meeting if the representations of the relevant accountant firm are not sent in accordance with this sub-clause (1).

4. An accountant firm which is leaving its post shall be entitled to attend the following meetings:

(i) the shareholders' general meeting at which its term of office would otherwise have expired;

(ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;

(iii) any shareholders' general meeting convened on its resignation.

An accountant firm which is leaving its post shall be entitled to receive all notices of, and other information relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accountant firm of the Company.

(2) An accountant firm may resign its office by depositing at the Company's legal address a resignation notice. Such notice shall include the following information:

(i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or

(ii) a statement of any such circumstances which should be brought to notice.

Such notices shall become effective on the date of the deposit on the Company's legal address or on such later date as may be stipulated in such notices.

(3) Where a notice is deposited as mentioned in sub-clause (2) of this Article, the Company shall, within fourteen days, send a copy of the notice to the relevant competent authorities. If the notice contains a statement under sub-clause (1) 2 of this Article, a copy of such statement shall be served to each shareholder who is entitled to receive the report regarding financial conditions of the Company.

(4) Where the accountant firm's notice of resignation contains a statement as referred to under sub-clause (1) 2 of this Article, it may require the Board to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

Article 116 Where the Company changes the accounting firm, the selection and appointment of new accounting firm shall be completed before the end of the fourth quarter of the year under audit.

Article 117 The remuneration of an accountant firm or the manner in which such firm is to be remunerated shall be determined by shareholders at a shareholders' general

meeting. During the term of engagement, the Company and the accounting firm may reasonably adjust the audit fees in accordance with the changes in consumer price index and average social wage level, as well as changes in the scale and complexity of the business.

Article 118 (1) Prior to the removal or the non-renewal of the appointment of the accountant firm, notice of such removal or non-renewal shall be given in advance to the accountant firm and such firm shall be entitled to make representation at the shareholders' general meeting. Where the accountant firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

(2) "Accountant firm" and "Auditor" shall have the same meanings in this Chapter.

CHAPTER 18 MERGER AND DIVISION OF THE COMPANY

Article 119 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The company shall notify its creditors within ten days of the date of the Company's resolution on merger and shall publish an announcement on newspaper or in the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's resolution on merger. The creditors may request the Company to repay the debts or provide appropriate guarantees within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement.

During the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 120 When there is a division of the Company, its assets are divided up accordingly.

In the event of a division of the Company, the dividing parties shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days of the date of the Company's division resolution and shall publish an announcement on newspaper or in the National Enterprise Credit Information Publicity System within thirty days of the date of the Company's division resolution.

Liabilities of the Company prior to the division shall be assumed by the companies which exist after the division jointly, except for those otherwise agreed by the Company and its creditors in writing prior to the division with respect to the repayment of debts.

Article 121 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

CHAPTER 19 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 122 The Company may be dissolved in any of the following circumstances:

- (1) the expiry of the term of operation stipulated in the Articles of Association;
- (2) the shareholders' general meeting makes a resolution on dissolution;
- (3) the Company has to be dissolved on account of its merger or division;
- (4) the business license is revoked in accordance with laws, or the Company is ordered to close down or is cancelled;
- (5) the Company is dissolved by the People's Court in accordance with the Company Law.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.

Article 123 Under the circumstance set out in item (1) and item (2) of Paragraph 1 of the preceding Article and it has not distributed any property to shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the shareholders' general meeting, where such amendments or resolution shall be subject to approval of more than two thirds (2/3) of the votes held by the shareholders present at the shareholders' general meeting.

Where the Company is dissolved under the circumstances set out in items (1), (2), (4) and (5) of Paragraph 1 of the preceding Article, the Company shall be liquidated. The Board of Directors is the liquidation obligor of the Company, and shall establish a liquidation committee to carry out liquidation within fifteen (15) days from the date when the cause of dissolution occurred.

The liquidation committee shall be composed of directors, unless others are elected by a resolution of the shareholders' general meeting.

If the liquidation obligor fails to perform its liquidation obligation in a timely manner and causes losses to the Company or creditors, they shall be liable for compensation.

Article 124 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements on newspapers or in the National Enterprise Credit Information Publicity System within sixty (60) days. The creditors shall file their claims with the liquidation committee within thirty (30) days after receiving such notice, or if they fail to receive such notice, within forty-five (45) days after the publication of such announcement. In filing its claims, a creditor shall provide the particulars of such claims and the supporting documents. The liquidation committee shall register the claims. During the claim declaration period, the liquidation committee shall not repay any debt to any creditor.

Article 125 During the period of liquidation, the liquidation group shall perform the following functions and powers:

- (1) clear up the Company's property and formulate the balance sheet and list of property;
- (2) send notifications or declarations to the creditors;
- (3) dispose of and clear up pending business of the Company;
- (4) pay due taxes and taxes accrued during the course of liquidation;
- (5) clear off claims and debts;
- (6) dispose of the Company's remaining property after the repayment of the debts;
- (7) participate in civil proceedings on behalf of the Company.

Article 126 After clearing up Company's property and formulating the balance sheet and list of property, the liquidation group shall formulate the liquidation scheme and submit the same to the shareholders' general meeting or the People's Court for confirmation.

The assets of the Company shall be liquidated in the following order of priority:

- (1) liquidation costs payable;
- (2) salaries and social insurance premiums payable to the employees and statutory compensation;
- (3) outstanding taxes;
- (4) debts of the Company.

The remaining assets of the Company upon repayment as specified in the preceding paragraph shall be distributed to the shareholders as per their shareholding percentages.

During the period of liquidation, the Company shall continue to exist but shall not carry out any new business activities not related to the liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been settled in accordance with the provisions of the preceding paragraph.

Article 127 Where the liquidation group finds out that Company's property are not sufficient for repayment of the debts after clearing up Company's property and formulating the balance sheet and lists of property, it shall apply for bankruptcy liquidation with the People's Court in accordance with laws.

After the People's Court accepts the application for bankruptcy liquidation, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 128 Upon completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, which shall be submitted at the shareholders' general meeting or to the People's Court for confirmation, and be submitted to the Company registration authorities for application for the deregistration of Company.

CHAPTER 20 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 129 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association. Where any provisions of the Articles of Association is inconsistent with laws, regulations and rules, the provisions of the laws, regulations and rules shall prevail.

Article 130 The amendment to the Company's Articles of Association relating to the registered particulars of the Company, application shall be made for registration of the changes to the relevant commercial and industrial administrations in accordance with law.

CHAPTER 21 OTHERS

Article 131 Any requirement in these Articles of Association on the Company to send, mail, dispatch, issue, publish or otherwise make available any Corporate Communication may, to the extent permitted under the laws and regulations and the listing rules in the place where the Company's shares are listed and the Articles of Association, be satisfied by making available the Corporate Communication on the website of the Company or by sending or providing the same through electronic means.

“Corporate Communication” refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors' report, its annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a quarterly report; (d) notice of meeting; (e) a listing document; (f) a circular; and (g) a proxy form within the meaning as ascribed thereto under the listing rules of the stock exchange where its shares are listed.”

Article 132 "TONG REN TANG" and "Beijing Tong Ren Tang" are brand name and trademark of China Beijing Tong Ren Tang (Group) Co., Ltd. The Company's products or services involving the use of the "TONG REN TANG" brand and trademark shall be subject to the relevant regulations and agreements of China Beijing Tong Ren Tang (Group) Co., Ltd.

Where a connected transaction is involved, such transaction shall subject to relevant approval procedures as required by the Listing Rules of the Stock Exchange.