

**Articles of Association
of
Phancy Group Co., Ltd.
範式智能技術集團股份有限公司**

June 2026

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ARTICLES OF ASSOCIATION OF PHANCY GROUP CO., LTD.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to regulate the organization and activities of Phancy Group Co., Ltd. (範式智能技術集團股份有限公司) (the “**Company**”) and to safeguard the legal rights and interests of the Company, its shareholders, employees and creditors, these Articles of Association are prepared in accordance with Company Law of the People’s Republic of China (“**Company Law**”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the “**Trial Measures**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant laws and regulations.

Article 2 The Company was established as a joint stock limited company in accordance with the Company Law and other laws, regulations and regulatory documents.

The Company was established by way of promotion and registered with the Beijing Haidian District Market Supervision Bureau with a business license (unified social credit code: 91440300311653228T).

Article 3 The Company completed the filing with the China Securities Regulatory Commission (the “**CSRC**”) and was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on September 28, 2023. The Company approved the issue of not more than 21,155,400 overseas listed shares of RMB1 each, all of which are ordinary shares.

Shareholders holding domestic unlisted shares of the Company who apply for conversion of their domestic unlisted shares into overseas listed shares for listing and trading on the Hong Kong Stock Exchange shall comply with the relevant requirements of the CSRC and instruct the Company to file their applications with the CSRC. A general meeting is not required to be convened for voting if shareholders apply for the conversion of their domestic unlisted shares into overseas listed shares for listing and trading on the Hong Kong Stock Exchange.

The domestic unlisted shares referred to in the preceding paragraph refer to shares issued by domestic enterprises but not listed or traded on domestic trading venues.

Article 4 The Company’s registered names are 範式智能技術集團股份有限公司 in Chinese, and Phancy Group Co., Ltd. in English.

Article 5 The Company’s address is Room 303, 3/F, Block A, Heying Centre, Building 1, No. 10 Xiaoying West Road, Haidian District, Beijing, the PRC.

Article 6 The registered capital of the Company is RMB558,292,633.

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

Article 8 The legal representative of the Company is the chairman of the Board of Directors who acts on behalf of the Company in conducting its affairs. Where the Chairman of the Board of Directors who concurrently serves as the legal representative resigns from his/her position as Chairman, he/she shall be deemed to have resigned as the legal representative simultaneously. In the event of the resignation of the legal representative, the Company shall appoint a new legal representative within 30 days from the date of such resignation.

The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. The restrictions on the functions and powers of the legal representative by the Articles of Association or the general meeting shall not be used against any bona fide counterparty. If the legal representative causes damage to others in the performance of his/her duties, the Company shall bear civil liability. After the Company assumes civil liability, it may, in accordance with laws or the provisions of the Articles of Association, seek compensation from the legal representative who is at fault.

Article 9 The liability of a shareholder of the Company shall be limited to the shares subscribed by that shareholder. The Company shall be liable for its debts with all of its assets.

Article 10 From the date upon which the Articles of Association come into effect, it shall become a legally binding document regulating the Company's organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders, and are binding on the Company and its shareholders, directors and senior management officers. Pursuant to the Articles of Association, a shareholder may take legal action against another shareholder, a director or senior management officer of the Company, or the Company; and the Company may take legal action against any shareholder, director or senior management officer.

Article 11 The senior management officers referred to in the Articles of Association represent the general manager, deputy general managers, financial head, secretary to the board of directors and such other senior management as the board of directors may determine.

Article 12 The Company may, as required, establish subsidiaries, branches or representative offices within or outside China in accordance with the laws of the PRC and the provisions of the Articles of Association.

Article 13 The Company shall establish a Communist Party organization and carry out Party activities in accordance with the provisions of the Constitution of the Communist Party of China. The Company shall provide the necessary conditions for the activities of the party organization.

CHAPTER 2 BUSINESS OBJECTIVES AND BUSINESS SCOPE

Article 14 The business objectives of the Company are: adhering to the values of steady and innovative business operation, striving to become the world's leading AI platform and technology service provider, empowering business decision-making, enabling intelligent transformation, and making AI an important engine driving social progress, industry innovation, and corporate growth.

Article 15 The business scope of the Company registered in accordance with the law is: technology development, technology services, technology consulting; application software services; data processing (except for bank card centers in data processing, cloud computing data centers with a PUE value above 1.4); information technology management consulting services; operation and maintenance services. (Market entity can independently select business projects and carry out operating activities in accordance with the law. Projects subject to approval in accordance with the law, business activities shall be carried out in accordance with the approved content after approval by relevant departments. Operating activities prohibited and restricted by the industrial policies of the State and city shall not be engaged).

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 16 The shares of the Company are in the form of registered shares.

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

Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (“**Original Certificates**”) are lost, apply to the Company for a replacement share certificate in respect to such shares (“**Relevant Shares**”). If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant requirements of Company Law. If a holder of overseas-listed foreign shares loses his share certificates and applies for their replacement, it may be dealt with in accordance with the laws, the rules of the stock exchange, as well as other relevant regulations of the place where the original copy of the register of holders of overseas-listed foreign shares is kept.

The Company shall maintain a register of shareholders and register its shareholders in accordance with the laws, administrative regulations, departmental rules and the requirements of the Hong Kong Listing Rules.

Article 17 Shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank *pari passu* in all respects.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by subscribers.

Article 18 The par-value shares issued by the Company shall be denominated in Renminbi.

Article 19 Of the shares issued by the Company, the domestic unlisted shares shall be registered and deposited in a domestic securities registrar, and the registration and settlement arrangements for overseas listed shares shall be subject to the regulations of the place of overseas listing.

Article 20 The promoters of the Company and the number of shares subscribed by them, percentage of shareholding, method of contribution and the time of contribution are as follows:

No.	Name of promoter	Number of Shares	Method of contribution	Status of paid-up capital	Percentage of shareholding
1.	Dai Wenyuan	106,164,523	Shares converted from net assets	Paid-up	26.5411%
2.	Paradigm (Tianjin) Management Consulting Partnership (Limited Partnership)	63,962,734	Shares converted from net assets	Paid-up	15.9907%
3.	Tianjin Paradigm Yinyuan Management Consulting Partnership (Limited Partnership)	10,105,649	Shares converted from net assets	Paid-up	2.5264%
4.	Zhuhai Zhongyu Investment Enterprise (Limited Partnership)*	1,678,669	Shares converted from net assets	Paid-up	0.4197%
5.	Gongqingcheng Yuanchun Investment Management Partnership (Limited Partnership)*	3,391,428	Shares converted from net assets	Paid-up	0.8479%
6.	Qingdao Chuangxin Venture Capital Enterprise (Limited Partnership)*	3,802,047	Shares converted from net assets	Paid-up	0.9505%
7.	SCC Venture V-Mars (HK) Limited	32,259,066	Shares converted from net assets	Paid-up	8.0648%
8.	Sinovation Fund III, L.P.	6,476,628	Shares converted from net assets	Paid-up	1.6192%
9.	Beijing Innovation Works VC Center (Limited Partnership)*	7,115,539	Shares converted from net assets	Paid-up	1.7789%
10.	Shanghai Saixin Business Consulting Management Center (Limited Partnership)*	3,231,551	Shares converted from net assets	Paid-up	0.8079%
11.	Beijing Sequoia Mingde Equity Investment Center (Limited Partnership)	6,352,978	Shares converted from net assets	Paid-up	1.5882%
12.	Zhuhai Huiyuan Investment Partnership (Limited Partnership)*	1,658,357	Shares converted from net assets	Paid-up	0.4146%
13.	Beijing NIFA No. 1 Artificial Intelligence Technology Industry Fund Management Center (Limited Partnership)	4,162,080	Shares converted from net assets	Paid-up	1.0405%
14.	Beijing Lenovo Smart Internet Innovation Fund Partnership (Limited Partnership)*	1,871,693	Shares converted from net assets	Paid-up	0.4679%
15.	YSC Investment I (HK) Limited	9,858,049	Shares converted from net assets	Paid-up	2.4645%
16.	Value Global Limited	3,286,016	Shares converted from net assets	Paid-up	0.8215%
17.	Zhuhai Guangkong Zhongying Industry Investment Fund Partnership (Limited Partnership)	1,420,246	Shares converted from net assets	Paid-up	0.3551%

No.	Name of promoter	Number of Shares	Method of contribution	Status of paid-up capital	Percentage of shareholding
18.	Ningbo Meishan Bonded Zone Sequoia Zhisheng Equity Investment Partnership (Limited Partnership)	4,112,972	Shares converted from net assets	Paid-up	1.0282%
19.	LF Beta Limited	196,857	Shares converted from net assets	Paid-up	0.0492%
20.	Tibet Lingfeng Xinfu Venture Investment Partnership (Limited Partnership)	761,572	Shares converted from net assets	Paid-up	0.1904%
21.	Hubei Boheng Equity Investment Partnership (Limited Partnership)	2,738,347	Shares converted from net assets	Paid-up	0.6846%
22.	Guangzhou Yuexiu Nuocheng No. 8 Industrial Investment Partnership (Limited Partnership)*	626,139	Shares converted from net assets	Paid-up	0.1565%
23.	Guangzhou Yuexiu Emerging Industry Phase II Investment Fund Partnership (Limited Partnership)*	2,112,208	Shares converted from net assets	Paid-up	0.5281%
24.	Chance Talent Management Limited	1,095,339	Shares converted from net assets	Paid-up	0.2738%
25.	Henan Guoxin Qidi Equity Investment Fund (Limited Partnership)	12,117,394	Shares converted from net assets	Paid-up	3.0293%
26.	Ningbo Huiyuan Venture Capital Partnership (Limited Partnership)	306,668	Shares converted from net assets	Paid-up	0.0767%
27.	Zhuhai Hongmai Enterprise Management Partnership (Limited Partnership)	7,030,079	Shares converted from net assets	Paid-up	1.7575%
28.	Major Awesome Limited	3,442,422	Shares converted from net assets	Paid-up	0.8606%
29.	Zhuhai Xuren Equity Investment Fund Partnership (Limited Partnership)	3,515,032	Shares converted from net assets	Paid-up	0.8788%
30.	Beijing Ruihui Haina Technology Industry Fund (Limited Partnership)	4,896,176	Shares converted from net assets	Paid-up	1.2240%
31.	Bocom International Holdings Company Limited	3,672,128	Shares converted from net assets	Paid-up	0.9180%
32.	CITIC Securities Investment Limited	1,550,588	Shares converted from net assets	Paid-up	0.3876%
33.	Jinshi Jinrui Equity Investment (Hangzhou) Partnership (Limited Partnership)	878,766	Shares converted from net assets	Paid-up	0.2197%
34.	Jinshi Haofeng Equity Investment (Hangzhou) Partnership (Limited Partnership)	703,006	Shares converted from net assets	Paid-up	0.1758%
35.	Jinshi Zhiyu Equity Investment Enterprise (Limited Partnership)*	703,006	Shares converted from net assets	Paid-up	0.1758%

No.	Name of promoter	Number of Shares	Method of contribution	Status of paid-up capital	Percentage of shareholding
36.	Nongwan (Changsha) Equity Investment Enterprise (Limited Partnership)	1,153,936	Shares converted from net assets	Paid-up	0.2885%
37.	Cisco China Company Limited	994,342	Shares converted from net assets	Paid-up	0.2486%
38.	CNCB (Hong Kong) Investment Limited	1,988,683	Shares converted from net assets	Paid-up	0.4972%
39.	Shenzhen Songhe Growth Investment Partnership (Limited Partnership)	3,359,773	Shares converted from net assets	Paid-up	0.8399%
40.	Shenzhen Lingyu Cornerstone Equity Investment Partnership (Limited Partnership)	3,359,773	Shares converted from net assets	Paid-up	0.8399%
41.	Shenzhen Linghui Cornerstone Equity Investment Partnership (Limited Partnership)	1,679,879	Shares converted from net assets	Paid-up	0.4200%
42.	Guangxi Tencent Venture Capital Co., Ltd.*	3,107,791	Shares converted from net assets	Paid-up	0.7769%
43.	Boyu Jingtai (Shanghai) Equity Investment Partnership (Limited Partnership)*	14,126,295	Shares converted from net assets	Paid-up	3.5316%
44.	Qiusi Xingde (Tianjin) Investment Center (Limited Partnership)	2,048,317	Shares converted from net assets	Paid-up	0.5121%
45.	CDBC Manufacturing Transformation and Upgrading Fund (Limited Partnership)	6,356,827	Shares converted from net assets	Paid-up	1.5892%
46.	China Life (Jiangsu) Jiequan Health Industry Investment Fund (Limited Partnership)	4,237,879	Shares converted from net assets	Paid-up	1.0595%
47.	Xinhe No.1 (Tianjin) Technology Center (Limited Partnership)	12,077,978	Shares converted from net assets	Paid-up	3.0195%
48.	Pu Rui Enterprise Management (Tianjin) Partnership (Limited Partnership)*	11,301,027	Shares converted from net assets	Paid-up	2.8253%
49.	China-UAE Investment Cooperation (HK 1) Company Limited	8,475,774	Shares converted from net assets	Paid-up	2.1189%
50.	Shenzhen Sequoia Hanchen Equity Investment Partnership (Limited Partnership)	8,475,774	Shares converted from net assets	Paid-up	2.1189%
Total		<u>400,000,000</u>	-	-	<u>100.0000%</u>

At the time of its incorporation, the Company issued a total of 400,000,000 shares, with a par value of RMB1 each.

Article 21 The total number of issued shares of the Company of 558,292,633 shares, all of which are ordinary shares with a par value of RMB1 each.

Article 22 No financial assistance in the form of grants, advances, guarantees or borrowings shall be given by the Company or by a subsidiary of the Company (including an affiliate of the Company) to a person who acquires shares of the Company or its parent company, unless such assistance is given under the Company's employee stock ownership plan. In the interests of the Company, and pursuant to a resolution passed at a shareholders' general meeting or by the Board of Directors in accordance with these Articles of Association or as authorised by the shareholders' general meeting, the Company may provide financial assistance to any person for the purpose of acquiring shares of the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital of the Company. A resolution of the Board of Directors shall be passed by more than two-thirds of all Directors. Where the Company or its subsidiaries (including its affiliated businesses) engage in any act described in this Article, it/they shall comply with the provisions of laws, administrative regulations, the requirements of the CSRC and the securities regulatory authority at the places where the Company's shares are listed.

Section 2 Increase, Reduction and Repurchase of Shares

Article 23 Based on its operating and development needs, the Company may, pursuant to the laws and regulations and with the approval by resolution at a general meeting, increase its capital in the following ways:

- (I) Offering of shares to unspecified investors;
- (II) Offering of shares to specified investors;
- (III) Distribute bonus shares to existing shareholders;
- (IV) Convert capital reserves of the Company into share capital;
- (V) Any other means stipulated in the laws and administrative regulations and by the CSRC.

Article 24 The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in Company Law, Hong Kong Listing Rules, other applicable regulations and the Articles of Association.

Article 25 The Company shall not acquire its own shares except in the following cases:

- (I) reducing the registered capital of the Company;
- (II) merger with another company which holds the shares of the Company;
- (III) using such shares in connection with employee share ownership schemes or share incentives;
- (IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;
- (V) using the shares for conversion of convertible corporate bonds issued by the listed company;
- (VI) it is necessary for a listed company to maintain its value and the shareholders' equity.

Article 26 The Company may purchase its own shares by way of open and centralized transaction, or other means approved by laws and regulations and the CSRC. Where the Company acquires its shares due to the circumstances specified in (3), (5) and (6) of Article 25 of the Articles of Association, it shall be conducted by way of open and centralized transaction.

Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the matters relating to the aforesaid repurchase of shares, such provisions shall prevail.

Article 27 Repurchase of the Company's shares for reasons set out in (I) to (II) of Article 25 of the Articles of Association shall be subject to resolution at a general meeting. Repurchase of the Company's shares for reasons set out in (III), (V) or (VI) of Article 25 of the Articles of Association shall, in accordance with the mandate granted at a general meeting, be resolved by a meeting of the board of directors at which more than 2/3 of the Directors are present. Shares repurchased by the Company under subparagraph (I) of Article 25 shall be cancelled within 10 days from the date of repurchase; the shares repurchased under sub-paragraphs (II) and (IV) of Article 25 hereof shall be transferred or cancelled within 6 months; and the shares repurchased by the Company in accordance with subparagraphs (III), (V) and (VI), of Article 25 hereof shall not exceed 10% of the Company's total issued shares, and the shares repurchased shall be transferred or cancelled within three years.

Section 3 Transfer of Shares

Article 28 Shares of the Company shall be legally transferable. The Company's overseas-listed shares are listed and traded on the Hong Kong Stock Exchange

All the overseas listed shares listed in the Hong Kong Stock Exchange shall be transferred by way of instruments of transfer in writing in standard or general form, or any other forms acceptable to the board of directors (including the standard transfer format or form of transfer specified by Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand or by the valid seal of such company (where the transferor or transferee is a company). In case the transferor or transferee is a recognized clearing house as defined under the relevant ordinances in effect from time to time in accordance with the laws of Hong Kong or its agent, the instruments of transfer may be signed by hand or in a printed form. All instruments of transfer shall be kept at the legal address of the Company or at such address as the board of directors shall designate from time to time.

Article 29 The Company shall not accept any of its own shares as the subject of pledge.

Article 30 The shares issued before the Company's public offering of shares shall not be transferred within one year from the date the Company's shares are listed and traded on a stock exchange.

Article 31 The directors and senior management officers of the Company shall declare to the Company the number of shares of the Company they hold and the subsequent changes in their shareholdings. The number of shares that such persons may transfer every year during their terms of office determined at the time of appointment shall not exceed 25% of the total number of the Company's shares held by him; the shares held in the Company shall not be transferred within one year as from the date when the Company shares have been listed. Such personnel shall not transfer the Company's shares held within half a year after they have terminated their employment with the Company.

Article 32 If the Company's directors, senior managers, and shareholders holding more than 5% of the Company's shares sell the Company's shares or other securities with equity properties held by them within 6 months after the purchase, or repurchased within 6 months of after the sale, the proceeds thereby shall belong to the Company, and the board of directors of the Company shall take back the proceeds, except that a securities company holds more than 5% of the shares as a result of underwriting the purchase of the remaining shares after the sale, and where there are other circumstances as prescribed by the CSRC.

The shares or other securities of an equity nature held by directors, senior management or natural shareholders referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents or children and those held using the accounts of others.

If the board of directors of the Company fails to implement the provisions in accordance with paragraph 1 of this Article, the shareholders shall have the right to request the board of directors to do so within 30 days. If the board of directors of the Company fails to enforce the same within the said period, the shareholders shall have the right to bring a lawsuit directly to the People's Court in their own name in the interest of the Company.

If the Company's board of directors fails to implement the provisions of the first paragraph of this Article, the responsible directors shall bear joint and several liabilities according to the law.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

Section 1 Shareholders

Article 33 The Company shall establish a register of shareholders and the register of shareholders shall be sufficient evidence for the shareholders' shareholding in the Company. A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The Company shall maintain a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) the register of shareholders kept at the Company's corporate domicile (other than those registers of shareholders as described in sub-paragraphs (II) and (III) of this Article);
- (II) the register of shareholders of overseas-listed foreign shares of the Company kept at the place where the overseas stock exchange on which the shares are listed is located;
- (III) The register of shareholders kept at such other place as the board of directors may deem necessary for the purpose of listing of the Company's shares. Alteration or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is maintained.

The Company may maintain overseas the register of shareholders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the securities regulatory authority of the State Council and the overseas securities regulatory authorities. The original register of shareholders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong. Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original one shall prevail.

Article 34 Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates, or carries out other activities that require the determination of shareholdings, the board of directors shall set a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who appear in the register of shareholders shall be deemed as the shareholders of the Company.

Where there are provisions in the Hong Kong Listing Rules in respect of the period for closure for transfer of shares prior to the date of a shareholders' general meeting or the record date of the Company for determining entitlement to distributions, such provisions shall prevail.

Article 35 Holders of shares of the Company shall have the following rights:

- (I) The right to receive dividends and other distributions in proportion to the number of shares held;
- (II) The right to request, convene, hold, chair, attend and vote in person or appoint a proxy to attend, speak and vote on their behalf at shareholders' general meetings in proportion to the number of shares held in accordance with the laws;
- (III) right to supervise the Company's business operations, and to put forward proposals and raise enquiries;
- (IV) right to transfer, give as a gift or pledge the shares held in accordance with the laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and copy these Articles of Association, the register of shareholders, the minutes of general meetings, the resolutions of the board of directors' meeting, and the financial and accounting reports. Eligible shareholders may inspect the Company's accounting books and vouchers;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (VII) with respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (VIII) the right to inspect the Hong Kong branch register of members of the Company, but the Company may close the register in terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
- (IX) any other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.

Article 36 Shareholders requesting to inspect or copy corporate records shall comply with the provisions of the Company Law, the Securities Law, and other laws and administrative regulations.

Article 37 If a resolution of a general meeting or the board of directors violates any law and administrative regulation, the shareholders shall have the right to petition to the people's court to render the same as invalid.

If the procedures for convening a meeting of, or the method of voting at, a general meeting or the board of directors violate any law, administrative regulation or the Articles of Association, or the content of a resolution violates the Articles of Association, the shareholders shall have the right to petition to the People's Court to rescind such resolutions within sixty days from the date on which such resolution is passed, except where the procedures for convening the general meeting or board meeting or the manner of voting are only slightly defective and have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of the general meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgement or ruling such as a revocation of the resolution, the stakeholders shall execute the resolution of the general meeting. The Company, directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the people's court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of the CSRC and the securities regulatory authority at the places where the Company's shares are listed, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Article 38 Resolutions of the general meeting or board meeting of the Company shall not be valid under any of the following circumstances:

- (I) no general meeting or board meeting has been convened to pass a resolution;
- (II) the resolution is not voted on at the general meeting or board meeting;
- (III) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;
- (IV) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.

Article 39 Where the Company incurs losses as a result of directors and senior officers other than members of the audit committee having violated any provision of law, administrative regulation or the Articles of Association in the course of performing their duties with the Company, shareholders alone or in aggregate holding 1% or more of the Company's shares for 180 consecutive days or more shall be entitled to request in writing the audit committee to initiate proceedings in the People's Court; where the Company incurs losses as a result of the any audit committee member having violated any provision of law, administrative regulation or the Articles of Association in the course of performing its duties with the Company, shareholders who meet the above conditions shall be entitled to request in writing the board of directors to initiate proceedings in the People's Court.

In the event that the audit committee or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of urgency where failure to initiate such proceedings immediately would cause irreparable damage to the Company's interests, the shareholders described in the preceding paragraph shall have the right to initiate proceedings in the People's Court directly in their own name for the benefit of the Company.

Shareholders described in the first paragraph of this Article may also initiate proceedings in the People's Court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company were infringed upon by third parties.

Where 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 of a wholly-owned subsidiary of the Company in the course of performing their duties, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, shareholders individually or jointly holding one percent or more of the shares of the Company for one hundred and eighty consecutive days or more shall have the rights to request in writing the supervisory committee or board of directors of the wholly-owned subsidiary to initiate legal proceedings in the People's Court or directly initiate legal proceedings in the People's Court in its own name in accordance with the provisions of the first three paragraphs of Article 189 of the Company Law.

Where a subsidiary wholly-owned by the Company has not established a supervisory committee or positions of supervisor but has established an audit committee, then it shall be subject to the provisions of the first two paragraphs of this Article.

Article 40 Shareholders may initiate proceedings in the People's Court if a director or any other senior officer violates the laws, administrative regulations or the Articles of Association and harms the interests of shareholders.

Article 41 Holders of shares of the Company shall assume the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) Not to withdraw their share capital, except as provided in laws and regulations;
- (IV) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders, and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interest of any creditor of the Company;
- (V) any other obligations imposed by laws, administrative regulations and these Articles of Association.

Article 42 If a shareholder of the Company abuses the rights of a shareholder and causes loss to the Company or other shareholders, such shareholder shall be liable for damages in accordance with the law. If a shareholder of the Company abuses the Company's independent legal person status and the limited liability of shareholders for the purposes of avoiding debts, resulting in materially impairing the interests of any creditor of the Company, such shareholder shall be jointly and severally liable for the debts of the Company.

Article 43 Shareholders who hold 5% or more of the voting shares of the Company pledge any of their shares shall report the same to the Company in writing on the day the fact occurs.

Section 2 Controlling Shareholder and De Facto Controller

Article 44 The controlling shareholder or de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the requirements of the CSRC and the securities regulatory authority at the places where the Company's shares are listed, and safeguard the interests of the listed company.

Article 45 The controlling shareholder or de facto controller of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their related party relationship to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly implement the public statements and undertakings made and shall not change or waive them;
- (III) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (IV) not to appropriate the Company's funds in any way;
- (V) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (VII) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment or any other means;
- (VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;
- (IX) other provisions prescribed by laws, administrative regulations, the CSRC, the securities regulatory authority at the places where the Company's shares are listed and the Articles of Association.

Where the controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually executes the affairs of the Company, the provisions of these Articles of Association regarding the obligations of loyalty and diligence of directors shall apply.

Where the controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management.

Where the Hong Kong Listing Rules and other applicable laws and regulations provide for the protection of minority investors, the Company shall implement such provisions.

Article 46 Where the controlling shareholder or de facto controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

Article 47 Where the controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the requirements of the CSRC and the securities regulatory authority at the places where the Company's shares are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

Section 3 General Requirements in respect of the Shareholders' General Meeting

Article 48 The general meeting of the Company comprises all shareholders. The shareholders' general meeting is the power of authority of the Company and shall exercise its following functions and powers in accordance with the laws:

- (I) To elect and replace directors and to determine matters relating to the remuneration of the directors;
- (II) To consider and approve the reports of the board of directors;
- (III) To consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (IV) To make resolutions on increase or reduction of the Company's registered capital;
- (V) To make resolutions on the issue of debentures by the Company;
- (VI) To make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (VII) To amend the Articles of Association;
- (VIII) To decide the appointment, re-appointment or dismissal of the accounting firm of the Company that undertakes the Company's audit works;
- (IX) To consider and approve the transactions and guarantees required by the Articles of Associate and the rules of procedure of the general meeting to be decided by a general meeting;
- (X) To consider the purchase or disposal of material assets of the Company with a value exceeding 30% of the Company's latest audited total assets within a period of 12 consecutive months;

- (XI) To consider and approve changes in the use of proceed of funds raised;
- (XII) To consider the share incentive plan and employee stock ownership plans;
- (XIII) To consider the repurchase of the Company's shares in accordance with the circumstances set out in (I) and (II) of Article 25 of the Articles of Association;
- (XIV) To consider other matters required by law, administrative regulations, departmental rules and regulations, the Hong Kong Listing Rules or the Articles of Association or the rules of procedure of the general meeting that should be resolved by the general meeting.

The shareholders' general meeting may, in accordance with laws, administrative regulations, requirements of the CSRC, the securities regulatory authority at the places where the Company's shares are listed authorise the Board of Directors to pass resolutions on matters relating to the issue of shares, debentures and other related matters of the Company. Where the shareholders' general meeting authorises the Board of Directors to decide on the issue of new shares, a resolution of the Board of Directors to that effect shall be passed by more than two-thirds of all Directors.

Where the Board of Directors, acting in accordance with an authorisation, decides to issue shares resulting in a change in the Company's registered capital or the number of issued shares, any amendment to the relevant provisions of these Articles of Association regarding such matters shall not require further approval by a shareholders' general meeting.

Unless otherwise stipulated by laws, administrative regulations, the CSRC, or the securities regulatory authority at the places where the Company's shares are listed, the aforementioned powers of the general meeting shall not be delegated to the Board of Directors, any other body, or any individual for exercise by way of authorization.

Article 49 The following acts of providing guarantees shall be considered and approved by the board of directors prior to being submitted to the general meetings of shareholders for consideration and approval:

- (I) guarantees with a single guaranteed amount in excess of 10% of the audited net asset value for the most recent period;
- (II) any guarantee to be provided by the Company and its controlled subsidiaries, with the total amount of which exceeds 50% of the audited net asset value for the most recent period;
- (III) guarantees to be provided in favour of a guarantee recipient whose gearing ratio exceeds 70%;
- (IV) guarantees to be provided to other parties in excess of 30% of the Company's latest audited total assets within one year;
- (V) any guarantee to be provided after the total amount of third-party guarantee provided by the Company has reached or exceeded 30% of the audited total assets for the most recent period;

- (VI) guarantees to be provided in favour of any shareholder, de facto controllers and their respective connected persons; and
- (VII) other circumstances requiring consideration and approval by the shareholders in a general meeting as stipulated by the stock exchange or the Articles of Association and the corresponding rules of procedure.

If the Company violates the authority of the general meeting and the board of directors to approve external guarantees in the Articles and provides, or violates the approval authority and review procedures to provide external guarantees, the relevant personnel shall be held accountable in accordance with the relevant laws and regulations and the provisions of the Articles of Association.

Article 50 A general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.

Article 51 An extraordinary general meeting shall be convened within 2 months from the occurrence of any of the following circumstances:

- (I) when the number of directors is less than the number stipulated in Company Law or two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (III) when any shareholder individually or jointly holding 10% or more of the Company's shares (including preferred shares with voting rights reinstatement) requests;
- (IV) when deemed necessary by the board of directors;
- (V) when proposed by the audit committee;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Article 52 The place for convening a general meeting shall be the place where the Company is located or the place specified in the notice of meeting. The general meeting shall be held at a venue and in the form of a live meeting. The Company may adopt alternative forms and channels for shareholders to participate in general meetings (including but not limited to electronic means such as online platforms, teleconferences, and video conferences), online voting, and/or other methods permitted under the Hong Kong Listing Rules to facilitate shareholder attendance and electronic voting.

Article 53 The Company shall, when convening a general meeting, engage a legal counsel to issue legal advice and make an announcement on the following issues:

- (I) whether or not the procedures for convening and holding a general meeting comply with the requirements of the laws and regulations and the Articles of Association;
- (II) the legal eligibility of the attendees and the convenor of the meeting;
- (III) whether or not the voting procedures for and the voting results of the general meeting are lawful and valid;
- (IV) issuance of the legal opinion on other relevant issues at the request of the Company.

Unless otherwise provided in the Hong Kong Listing Rules or by the securities regulatory authority of the place where the Company's shares are listed, or where no mandatory requirements exist under such rules or authority.

Section 4 Convening of Shareholders' General Meeting

Article 54 The general meetings of shareholders shall be convened by the Board of Directors within the prescribed time limit.

Article 55 Upon the approval of a majority of all independent non-executive directors, independent non-executive directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent directors, the Board shall, pursuant to the relevant laws, administrative regulations and these Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 days after receiving the proposal. If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the passing of the relevant Board resolution. If the Board refuses to convene an extraordinary general meeting, an explanation shall be made by way of announcement.

Article 56 The audit committee shall be entitled to propose to the Board to convene an extraordinary general meeting and shall put forward its proposal in writing. The board of directors shall, pursuant to the relevant laws, administrative regulations and these Articles of Association, give a written reply stating its consent or reject for the convening of the extraordinary general meeting within 10 days after receiving the proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the passing of the relevant Board resolution. Any changes to the original proposal contained in the notice shall be subject to the approval of the audit committee.

If the Board does not agree to convene the extraordinary general meeting or fails to give any reply within 10 days after receiving the proposal, it shall be deemed as unable to perform or failing to perform the duty of convening the general meeting, and the audit committee may convene and preside the meeting on its own.

Article 57 Where shareholders alone or in aggregate holding 10% or more of the Company's shares (including preferred shares with voting rights reinstatement) request the board of directors to convene extraordinary general meetings of shareholders, such request shall be made in writing. The board of directors shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting of shareholders within 10 days after receiving such request.

In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the board of directors. Any changes to the original request made in the notice shall be subject to the consent of the shareholders concerned.

In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such request, and that shareholders alone or in aggregate holding 10% or more of the Company's shares (including preferred shares with voting rights reinstatement) propose to the audit committee the convening of extraordinary general meeting, such proposal shall be made in writing.

In the event that the audit committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall be subject to the consent of the shareholders concerned.

In the event that the audit committee fails to issue a notice of the general meeting within the stipulated period, the audit committee shall be deemed not convene and preside over a general meeting, and shareholders alone or in aggregate holding 10% or more of the Company's shares (including preferred shares with voting rights reinstatement) for 90 consecutive days or more shall be entitled to convene and preside over the meeting on their own.

Article 58 If the audit committee or shareholders determine to convene a shareholders' general meeting on their own, they shall give a written notice to the board of directors and file the same with the Stock Exchange in accordance with the relevant laws and regulations and the requirements of the Hong Kong Listing Rules (if necessary).

The shareholding (including preferred shares with voting rights reinstatement) of the convening shareholders shall not be less than 10% (inclusive) before the resolution of convening the general meeting is made.

The audit committee or the convening shareholders shall submit relevant supporting documents (if required) to the Stock Exchange when giving notice of the general meeting and announcing the resolutions of the general meeting in accordance with the relevant laws and regulations and the requirements of the Hong Kong Listing Rules.

Article 59 The board of directors and the secretary to the board of directors shall cooperate with respect to matters relating to the shareholders' general meeting convened by the audit committee or the shareholders on their own. The board of directors shall provide the register of shareholders as of the shareholding record date.

Article 60 Where a shareholders' general meeting is convened by the audit committee or the shareholders on their own, all necessary expenses arising therefrom shall be borne by the Company.

Section 5 Proposing Motion and Notice of Shareholders' General Meeting

Article 61 The substance of the motion proposed shall fall within the terms of reference of the shareholders' general meeting, with clear subjects for discussion and specific issues for resolution and in compliance with the relevant provisions of laws, administrative regulations and the Articles of Association.

Article 62 Whenever the Company convenes a shareholders' general meeting, the board of directors, the audit committee and shareholder(s) alone or in aggregate holding 1% or more of the total number of the Company's shares (including preferred shares with voting rights reinstatement) shall have the right to propose motions to the Company.

Shareholder(s) alone or in aggregate holding 1% or more of the total number of the Company's shares (including preferred shares with voting rights reinstatement) shall have the right to submit an interim motion in writing to the convener 10 days prior to the general meeting. The convener shall issue a supplemental notice of the general meeting within two days after receiving the proposed motion announcing the contents of the interim motion, and submit such interim motion to the general meeting for deliberation, unless the motion violates laws, administrative regulations, or the Articles of Association, or falls outside the scope of the general meeting's authority.

Save as provided above, the convener shall not amend motions stated in or add new motions to the notice of the general meeting after the same has been issued and announced.

No voting or resolution shall be executed or adopted at the general meeting for motions that have not been stated in the notice of the general meeting or that do not comply with the Articles of Association.

Article 63 A notice of meeting shall be issued by way of announcement at least 20 days before the date of an annual general meeting; and at least 15 days before the date of an extraordinary general meeting to be convened by the convener to notify all shareholders. In calculating the period of advance notice, the Company shall not include the day on which the meeting is held but may include the day on which notice of the meeting is issued.

Article 64 Notice of a shareholders' general meeting shall:

- (I) Specify the time, place and date of the meeting;
- (II) Set out the matters and proposals to be considered at the meeting;
- (III) Contain a clear statement that all shareholders, including holders of ordinary shares (including preferred shareholders with voting rights reinstatement), and holders of shares with special voting rights, entitled to attend and vote have the right to appoint one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder of the Company;

- (IV) Contain the date of registration of shares of shareholders entitled to attend general meetings
- (V) Contain the name and phone number of the coordinator of the meeting; and
- (VI) Time and procedures for voting by internet or other means.

Full and complete disclosure of the particulars of all proposals and all information or explanations necessary to enable shareholders to make reasonable judgements on the matters to be discussed shall be made in the notice of a general meeting and supplementary notice.

Article 65 If matters relating to the election of directors are proposed to be discussed at a shareholders' general meeting, detailed information of the candidates for directors shall be fully disclosed in the notice of the general meeting, which shall at least include the following:

- (I) personal information relating to their educational background, work experience and all other positions undertaken on a part-time basis etc.;
- (II) whether there is any connected relationship with the Company or its controlling shareholders or de facto controllers;
- (III) their shareholdings in the Company;
- (IV) whether or not they have been subject to any punishment by the CSRC or other relevant departments or to any sanction by any stock exchange.

In addition to the adoption of a cumulative voting system for the election of directors, motions relating to each of the candidates for directors shall be proposed on an individual basis.

Article 66 Upon issuance of the notice of a shareholders' general meeting, the general meeting shall neither be delayed nor cancelled without proper reasons. Motions listed in such notice shall not be revoked. In the event of postponement or cancellation, the convener shall announce and explain the reasons at least two working days before the original date of the meeting.

Section 6 Holding of Shareholders' General Meeting

Article 67 The board of directors of the Company together with other conveners thereof shall adopt necessary measures to maintain the normal order of the shareholders' general meeting. Measures shall also be adopted to stop any acts from interfering with the general meeting, creating quarrels and nuisance as well as infringing the lawful interests of the shareholders while a timely report of the same shall also be made to the relevant authority for investigation.

Article 68 All shareholders, including holders of ordinary shares (including preferred shareholders with voting rights reinstatement), and holders of shares with special voting rights, whose names appear in the register of shareholders on the shareholding record date or their proxies shall be entitled to attend and vote at general meetings in accordance with the relevant laws and regulations, the Hong Kong Listing Rules and the Articles of Association.

A shareholder may attend the general meeting in person or appoint a proxy (who needs not be a shareholder of the Company) to attend and vote on his behalf.

Article 69 Individual shareholders attending the meeting in person shall present their identity cards (or other valid certificates or evidence of identity). If a proxy attends the meeting, the proxy shall present his valid identity card and the proxy form issued by the shareholder.

A legal person shareholder shall be represented at the meeting by a legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her legal representative status. If a proxy attends the meeting, the proxy shall present his/her identity card and a written authorization letter issued by the legal representative of the legal person shareholder in accordance with the law (except for Recognized Clearing House or its nominees).

Article 70 The proxy form issued by a shareholder to appoint a third party to attend the meeting on his behalf shall specify the following content:

- (I) the name or title of the principal, class and quantity of the Company's shares held;
- (II) the name or title of the proxy;
- (III) the specific instructions of shareholders, including the instructions on voting in favour of, against or abstention from voting in respect of each matter on the agenda of the shareholders' general meeting, etc.;
- (IV) the issue date and valid term of the proxy form;
- (V) the signature (or seal) of the appointer. In case the appointer is a legal person shareholder, the proxy form shall be affixed with the seal of the legal person.

Article 71 The voting proxy form shall be deposited at the address of the Company or such other place specified in the notice of the meeting not less than 24 hours prior to the relevant meeting for which the proxy is authorized to vote, or not less than 24 hours before the designated voting time. Where the voting proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The voting proxy form, notarized power of attorney or other authorization instruments, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

Where such shareholder is a Recognized Clearing House (or its nominee) as defined in the relevant ordinance enacted from time to time in Hong Kong, it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' general meeting or creditors meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which each person is so authorized and shall be signed by the authorized personnel appointed by the Recognized Clearing House. The person so authorized may exercise the rights at any meeting (without being required to present a share certificate, notarized power of attorney and/or further evidence of due authorization) on behalf of the Recognized Clearing House (or its nominees) as if such person were an individual shareholder of the Company, he has the same legal rights as other shareholders, including the right to speak and vote.

Article 72 The register of meeting attendees shall be prepared by the Company. The register of meeting attendees shall contain the names of participants (or entities), their identification numbers, the number of shares held or represented with voting rights, and the names of the appointers (or entities).

Article 73 The convener and the attorney engaged by the Company shall jointly verify the legitimacy of the shareholders based on the register of shareholders and register the names of the shareholders together with the numbers of voting shares represented. The registration of the meeting shall close before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights.

Article 74 If the general meeting requires directors or senior management to attend, such persons shall be present and respond to shareholders' inquiries.

Article 75 The chairman of the board of directors shall preside over the shareholders' general meeting convened by the board of directors. In the event that the chairman of the board of directors is unable to or does not perform his duties, the meeting shall be presided over by a director jointly elected by a majority of the directors.

Where a general meeting is convened by the audit committee on its own, the meeting shall be presided over by the convener of the audit committee. In the event that the convener of the audit committee is unable to or does not perform his duties, the meeting shall be presided over by a member of the audit committee jointly elected by a majority of the members of the audit committee.

Where a general meeting is convened by shareholders on their own, the meeting shall be presided over by the convening shareholders or a representative elected by them.

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

Article 76 The Company shall formulate rules of procedures for the shareholders' general meeting that set out in details on the procedures for the convening and holding of and voting at a general meeting, including giving notice, completing recording tasks, considering motions, voting, counting votes, announcement of the voting results, adoption of resolutions at the meeting, minutes and execution thereof, making public announcement and other particulars, and that specify the principles of conferring power upon the board of directors at the general meeting and the substance of such authorization. The rules of procedures for the shareholders' general meeting, as attached hereto as an appendix, shall be developed by the board of directors and approved at the general meeting.

Article 77 At the annual general meeting of shareholders, the board of directors shall deliver their respective working reports for the previous year at the general meeting. Each of the independent non-executive directors shall also deliver their respective working reports.

Article 78 The directors and senior officers present at the shareholders' general meeting shall provide responses or explanations with respect to any queries or suggestions raised by the shareholders.

Article 79 The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies present at the meeting as well as the total number of voting shares represented. The number of shareholders and proxies present at the meeting as well as the total number of voting shares represented shall be subject to those recorded during the meeting.

Article 80 Minutes of general meetings shall be maintained by the secretary to the board of directors. The minutes of a meeting shall record the following:

- (I) the date and venue for convening the meeting, the meeting agenda and the name of the convener of the meeting;
- (II) the name of the chairman of the meeting as well as those of the directors and senior management present at the meeting as non-voting attendees;
- (III) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights represented and the proportion to the total number of shares of the Company;
- (IV) the description of the entire course of consideration of each proposal, the main points put forward by each speaker relating thereto, and the voting results;
- (V) details of queries and suggestions of the shareholders and the corresponding response or explanation in relation thereto;
- (VI) the names of the attorney and persons responsible for counting the votes and for supervising the counting process;
- (VII) other contents that should be recorded in the minutes as provided for in the Articles of Association.

Article 81 The convener shall ensure that the minutes are true, accurate and complete. The minutes shall be signed by the directors, secretary to the board of directors, the convener or its representative and the meeting chairman present at the meeting as voting and non-voting attendees. The minutes shall be kept together with the signature book of shareholders present in the meeting in person and the proxy form for proxy attendance, valid information on voting by internet and other means and other relevant information for a period of not less than 10 years.

Article 82 The convener shall ensure that a shareholders' general meeting is held on a continuous basis until a final resolution is adopted. If a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, requisite measures shall be adopted so as to promptly resume the general meeting or to directly terminate the then general meeting, and public announcement relating thereto shall also be made timely.

Section 7 Voting at and Resolutions of the Shareholders' General Meeting

Article 83 Resolutions of shareholders' general meeting are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by a majority of the voting rights represented by the shareholders attending the meeting.

Special resolutions of the shareholders' general meeting shall be passed by not less than two-thirds of the voting rights represented by the shareholders attending the meeting.

For the purposes of this Article, the term "shareholder" includes a shareholder attending the general meeting by proxy.

Article 84 The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the board of directors;
- (II) plans for profit distribution and recovery of losses drafted by the board of directors;
- (III) appointment or removal of members of the board of directors, and their remuneration and method of payment thereof;
- (IV) any matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolutions.

Article 85 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:

- (I) increase or reduction of the registered capital of the Company;
- (II) separation, division, merger, dissolution and liquidation (including voluntary winding up) of the Company;
- (III) amendment to the Articles of Association;
- (IV) purchase or disposal of material assets or provision of a guarantee to other parties by the Company within a period of 12 consecutive months of a value exceeding 30% of the Company's latest audited total assets;
- (V) employee share ownership plans or equity incentive plans to be considered and approved;
- (VI) other matters prescribed by law, administrative regulations or the Articles of Association or the Rules of Procedure of the Shareholders' general meeting, and any other matters that, if resolved by way of an ordinary resolution of the general meeting, may have a material impact on the Company and shall be adopted by a special resolution.

Changes in the rights attached to classes of shares shall be approved by at least two-thirds of the shareholders of the Company holding the class of shares to which the rights attach.

Article 86 Shareholders shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, with each share carrying one vote except holders of class shares. During the voting by poll, shareholders with two or more voting rights do not necessarily use all their voting rights to vote for or against a proposal.

Shares held by the Company carry no voting rights and shall not be counted toward the total number of shares with voting rights held by shareholders attending the shareholders' general meeting.

For the purposes of this Article, the term "shareholder" includes a shareholder attending the general meeting by proxy.

Article 87 Where a shareholder purchases voting shares of the company in violation of paragraphs (1) and (2) of Article 63 of the Securities Law, the voting rights of the shares in excess of the specified proportion shall not be exercised within 36 months after the purchase and shall not be included in the total number of shares with voting rights present at the general meeting.

The board of directors, independent non-executive directors, shareholders holding voting shares of more than 1% or investor protection institutions established in accordance with laws, administrative regulations, or regulations of the securities regulatory agency of the State Council may solicit from other shareholders their rights to vote in general meetings. The specific voting intention and other information of such solicitation shall be fully disclosed to the solicited. Solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. The Company may not impose minimum shareholding restrictions on the solicitation of voting rights, except under statutory conditions.

Article 88 In the course of considering matters relating to connected transactions at a shareholders' general meeting, the connected shareholders shall abstain from voting and shall not exercise voting rights on behalf of other shareholders. The voting rights represented by the number of shares held by such shareholders shall be excluded from the total number of valid votes. The voting result of the non-connected shareholders shall be fully disclosed in the announcement of the resolution of the general meeting.

Connected shareholders shall voluntarily disqualify themselves and abstain from voting at the general meeting. The chairperson of the meeting shall request the connected shareholders to abstain from voting. Any shareholder who is not required to abstain from voting has the right to request the connected shareholder to abstain from voting.

Such connected transaction shall be voted by the non-connected shareholders present at the meeting and be passed with a majority of the valid votes cast in favour of such connected transaction; if such transaction falls within the scope of a special resolution, it shall be passed by more than two-thirds of the valid voting rights.

Shareholders or shareholders who are under the control of the de facto controllers of the Company shall abstain from voting on resolutions of a general meeting in respect of guarantees to be provided in favour of shareholders, de facto controllers of the Company and their related parties, and such resolutions shall be passed by a majority of the voting rights represented by other shareholders attending the meeting.

Article 89 Unless the Company is in a critical situation or under other special circumstances, the Company shall not, without approval by a special resolution of a general meeting, enter into any contract with any person (other than a director or senior management) pursuant to which such person shall be responsible for the management of the whole or any substantial part of the Company's business.

Article 90 The list of candidates for directors shall be proposed in form of a motion to the shareholders' general meeting for resolution.

The candidates for directors for the first term of the board of directors have been nominated by the promoters. The manner and procedure for the nomination of directors for each subsequent term shall be as follows:

- (I) The current board of directors, or the shareholder(s) individually or jointly holding at least 3% shares of the Company may nominate candidates for election as directors for the next term or additional director(s) for the current term of the board of directors in accordance with the number of persons to be elected;
- (II) The board of directors shall review the qualifications of the candidates nominated by them for appointment as directors. Shareholders shall submit to the current board of directors the biographical details and general information of the candidates nominated by them for appointment as directors, while the current board of directors will review the qualifications, and if the candidates meet the qualifications for appointment as directors, the board of directors shall submit the list to the general meeting for voting;
- (III) Candidates for director shall make written commitments according to the requirements of the Company, including but not limited to agreeing to accept the nomination, undertaking that the submitted personal information is true and complete, and guaranteeing that they will effectively perform their duties after being elected;
- (IV) The manner and procedures for the nomination of independent non-executive directors shall be in accordance with the relevant provisions of the laws, administrative regulations, departmental rules and regulations and the Articles of Association. The employee representative directors shall be elected by the representative meetings of employees of the Company and other democratic means.

When voting on the election of Directors at a general meeting, the cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the general meeting. However, the cumulative voting system shall be implemented when two or more directors are elected. Where the cumulative voting system is adopted at a general meeting for electing directors, the voting for independent non-executive directors and non-independent non-executive directors shall be conducted separately.

The cumulative voting system referred to in the preceding paragraph represents that in the election of directors at the shareholders' general meeting, each share shall have the same number of votes as the number of directors to be elected, and the voting rights held by shareholders may be used collectively.

Article 91 The number of votes in the cumulative voting system shall be determined in accordance with the following:

- (I) When electing non-independent non-executive directors, the product of the number of shares held by each shareholder multiplied by the number of non-independent non-executive directors to be elected at the general meeting shall be the cumulative number of votes cast by that shareholder. When electing independent non-executive directors, the product of the number of shares held by each shareholder multiplied by the number of independent non-executive directors to be elected at the general meeting shall be the cumulative number of votes cast by that shareholder;
- (II) In the event that multiple rounds of elections are held at a general meeting, the cumulative votes of shareholders shall be recalculated based on the number of directors to be elected in each round of election;
- (III) The secretary to the board of directors of the Company shall announce the cumulative votes of the shareholders before each round of cumulative voting. If the independent non-executive directors of the Company, the scrutineers of the current general meeting or the witness lawyers have any objection to the announced results, they shall check the results immediately.

The cumulative voting system shall be voted as follows:

When electing independent non-executive directors, each shareholder shall be entitled to a cumulative number of votes equal to the product of the number of shares held by him multiplied by the number of independent non-executive directors he is entitled to elect, and such votes shall only be cast for the independent non-executive director candidates. When electing non-independent non-executive directors, each shareholder shall be entitled to a cumulative number of votes equal to the product of the number of shares held by him multiplied by the number of non-independent non-executive directors he is entitled to elect, and such votes shall only be cast for the non-independent non-executive director candidates.

Article 92 The mechanism of the accumulative voting system to elect directors is as follows:

- (I) When shareholders vote, they must indicate the total number of shares they hold in the company on the ballot paper, and indicate the cumulative number of votes they cast for the director candidate in the voting column for each director candidate they elect;

When voting, only in favour votes shall be cast, but no against votes or abstentions. All shareholders shall be entitled to cast their cumulative votes, separately or in aggregate, for any one candidate for director, as they wish (proxies shall comply with the instructions of the proxy);

If the total number of votes used by a shareholder on the ballot paper exceeds the total number of shares legally owned by him, the ballot paper shall be invalid; if the total number of votes used by a shareholder on the ballot paper does not exceed the total number of shares legally owned by him, the ballot paper shall be valid and the difference shall be deemed to be an abstention of voting rights;

- (II) After the poll is ended, all candidates shall be ranked in descending order according to the number of votes they have received (subject to the number of directors to be elected), with those directors receiving more than 1/2 of the valid votes held by shareholders present at the general meeting (based on the total number of votes before cumulative voting rights are applied) shall be elected;
- (III) In the event that the number of candidates for Directors with more than 1/2 of the valid votes held by shareholders attending the general meeting (based on the total number of votes before cumulative voting rights are applied) exceeds the number of candidates to be elected and the two or more candidates ranked last have the same number of votes, the other candidates ranked before them shall be elected. A new ballot shall be conducted for those candidates who have received the same number of votes using the cumulative voting system, and the candidates shall be ranked in descending order of votes in descending order, and the candidate who ranks first shall be elected;
- (IV) In the event that the number of candidates for directors who receive more than 1/2 of the valid votes (based on the total number of votes before cumulative voting rights are applied) held by shareholders attending the general meeting in the first round of voting is less than the number of candidates to be elected, the cumulative voting system shall be applied to the candidates who have not been elected and a new ballot shall be conducted to rank the candidates in descending order of votes received, and the candidate who ranks first shall be selected to fill the number of candidates to be elected. In the event of the candidate cannot be determined due to the same number of votes, a new ballot shall be conducted according to the provisions of the preceding paragraph;
- (V) If the number of directors stipulated in the Articles of Association cannot be elected after three rounds of voting at the general meeting, another general meeting shall be held within two months after the conclusion of the general meeting to elect the vacant directors.

Article 93 Except for the cumulative voting system, voting for all motions proposed to a general meeting of shareholders shall be conducted one by one. If different motions have been proposed for the same matter, voting related thereto shall be conducted based on the chronological order of proposing the motions. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no motion shall be set aside or rejected for voting at the general meeting.

Article 94 When considering a motion at a shareholders' general meeting, no change shall be made thereto; if any change is required, the relevant change shall be treated as a new motion that cannot be proceeded for voting at the then general meeting.

Article 95 The same right to vote can only be exercised by electing to vote at the scene, via the internet or in other manner (if any). If the same right to vote has been exercised twice, the result of the first voting shall prevail.

Article 96 Shareholders' general meetings shall be voted by registered ballot.

Article 97 Before voting on a resolution at a shareholders' general meeting, two representatives of the shareholders shall be nominated to participate in counting the votes as well as supervising the counting process. If there is connected relationship between the matters under consideration and the shareholders, the relevant shareholder and his proxies shall not participate in counting the votes or supervising the counting process.

When voting on a resolution at a shareholders' general meeting, the attorney, a representative of shareholders shall be responsible for counting the votes as well as supervising the counting process and announcing the voting results at the meeting. The voting results in connection with the resolution shall be recorded in the minutes.

Article 98 Shareholders of the Company or their proxies who cast their votes via the internet or otherwise shall have the right to check their voting results by the corresponding voting system. The general meeting shall not end earlier than voting via the internet or other means. At the conclusion of the general meeting on the floor, the meeting chairman shall announce the vote and the result of each proposal and, based on the result of the vote, declare whether the proposal has been adopted or not.

Prior to making a formal announcement on the voting results, the vote counters, scrutineers, shareholders, network service providers and companies involved in counting the votes and for supervising the counting process at the shareholders' general meeting shall have the obligation to keep matters related to voting confidential.

Article 99 Shareholders attending the shareholders' general meeting shall express their opinion with respect to the motion tabled for resolution as in favour of, against or abstention from voting in respect of such motion. Except where the securities registrar and settlement institution, as the nominal holder (if any) of shares traded on the Mainland and Hong Kong stock markets under the Inter-connected Mechanism for Trading on Stock Markets in the Mainland and Hong Kong and makes the declaration in accordance with the intention of the beneficial owner.

Ballot papers that are left in blank, unduly completed or illegible, or that have not been used, shall be treated in the way that the voters waive their right to vote and the voting results corresponding to the shares shall be treated as "abstention from voting".

If, pursuant to applicable laws and regulations and the Hong Kong Listing Rules, a shareholder is required to abstain from voting or is restricted in voting only in favour of or against a particular motion, any votes cast by or on behalf of such shareholder which is in breach of the relevant provisions or restriction shall not be taken into account in the total number of valid votes.

Article 100 In the event the chairman of the meeting has any doubts as to the voting results of the resolutions submitted, he may count the votes cast. In the event the chairman of the meeting does not conduct a vote count and a shareholder or proxy objects to the results announced by the chairman of the meeting, he shall be entitled to request the counting of the votes immediately after the announcement and the chairman of the meeting shall count the votes immediately upon request.

Article 101 The resolutions of the shareholders' general meeting shall be announced in a timely manner, and the announcement shall list matters related to the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the company, the voting method, the voting results of each proposal and contents of resolutions approved.

Article 102 If a proposal is not passed, or if the resolution passed by the preceding general meeting is changed by the current general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.

Article 103 Where a general meeting has passed the proposals for electing directors, the newly elected directors shall take office on the day when the resolution of the shareholders' general meeting is passed.

Article 104 Where any proposals in relation to the distribution of profits, issue of bonus shares or capital increase by way of realization of capital reserve are passed at the general meeting, the Company shall implement the specific plan within 2 months from the closing of the general meeting.

CHAPTER 5 THE BOARD OF DIRECTORS

Section 1 Directors

Article 105 A director of a company is a natural person, and a person who falls under any of the following circumstances may not serve as a director of the company:

- (I) a person without legal or with restricted legal capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order and has been punished because of committing such offence where less than 5 years have elapsed since the date of the completion of the sentence execution period, or less than 2 years since the date of the completion of the probation period in case of a suspended sentence;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise which had its business licence revoked or was ordered to close due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business licence or the shutdown order;
- (V) a person which has a relatively large amount of debts due and outstanding and has been listed as a discredited subject to enforcement by a People's Court;
- (VI) a person who is prohibited from entering the securities market by the CSRC, and the time limit has not expired;
- (VII) a person who is publicly deemed to be disqualified to act as a director or senior management of listed companies by securities regulatory authorities of the place where the Company's shares are listed, where the disqualification period remains effective;

(VIII) Other content stipulated by laws, administrative regulations or departmental rules.

The election or appointment of directors in violation of this article shall be deemed invalid. If a director falls under the circumstances specified in this article during his term of office, the company will remove him/her from his/her position and suspend his/her duties.

Article 106 Non-employee representative directors are elected or replaced by the shareholders' general meeting. The term of their office is 3 years, and they can be removed by the shareholders' general meeting before the term of office expires. Directors may be re-elected upon expiration of their term of office. Employee representative directors shall be elected or replaced by the employees' congress, and may be removed by the employees' congress prior to the expiration of their term. Their term of office shall coincide with that of the current board of directors and may be renewed upon expiration.

The term of office of a director shall be calculated from the date of taking office to the expiry of the term of the current session of the Board. If a director fails to be re-elected in time upon the expiration of his/her term of office, the original director shall still perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the re-elected director takes office.

A director may concurrently serve as the general manager or other senior management, but the directors who concurrently serve as the general manager or other senior managers and the directors who are employee representatives shall not exceed one half of the total number of directors of the company.

The Company shall have Employee Representative Director(s). Candidates for Employee Representative Director shall also meet the following conditions:

- (I) have an employment relationship with the Company;
- (II) be able to represent and reflect the reasonable demands of employees, safeguard the lawful rights and interests of employees and the Company, and be trusted and supported by the employees;
- (III) be familiar with the Company's operation and management or possess relevant work experience, be well-versed in labour laws and regulations, and have strong coordination and communication skills;
- (IV) abide by laws and regulations, be of good character and integrity, act impartially, and maintain honesty and self-discipline;
- (V) meet other conditions stipulated by laws and regulations.

Article 107 The directors shall comply with the provisions of the laws, administrative regulations and these Articles and shall faithfully perform their obligations to the Company. They shall take measures to avoid conflicts of interest between their personal interests and those of the Company, and must not exploit their positions to seek improper gains.

Directors owe the following fiduciary duties to the Company:

- (I) shall not misappropriate the Company's property or embezzle the Company's funds;
- (II) shall not deposit Company funds into accounts opened in his/her own name or in the name of any other individual;
- (III) shall not use his/her position to solicit or accept bribes or other unlawful income;
- (IV) shall not, directly or indirectly, enter into contracts or conduct transactions with the Company, unless such matter has been reported to the Board of Directors or the shareholders' general meeting and approved by a resolution of the Board of Directors or the shareholders' general meeting in accordance with the provisions of these Articles of Association;
- (V) shall not exploit his/her position to pursue business opportunities belonging to the Company for himself/herself or for others, except where such matter has been reported to the Board of Directors or the shareholders' general meeting and approved by a resolution of the shareholders' general meeting, or where the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations or these Articles of Association;
- (VI) shall not engage in, or assist others in engaging in, any business of the same nature as that of the Company, unless such matter has been reported to the Board of Directors or the shareholders' general meeting and approved by a resolution of the shareholders' general meeting;
- (VII) shall not accept commissions from transactions between others and the Company for his/her own benefit;
- (VIII) shall not disclose Company secrets without authorisation;
- (IX) shall not use his/her connected relationships to harm the interests of the Company;
- (X) Other duties of loyalty stipulated by laws, administrative regulations, departmental rules and these Articles of Association.

Income received by any directors in violation of this article shall be forfeited by the Company. Any directors who act in violation of this article shall be liable for compensation for any losses caused to the Company.

The provisions of item (IV) of the second paragraph of this Article shall apply to contracts or transactions entered into with the Company by close relatives of Directors or senior management, by businesses directly or indirectly controlled by Directors, senior management or their close relatives, and by other related parties who have other related party relationships with Directors or senior management.

Article 108 The directors shall diligently perform their obligations to the Company in compliance with the provisions of laws, regulations and these Articles. When performing their duties, Directors shall act in the best interests of the Company and exercise the reasonable care that would ordinarily be expected of a manager.

Directors owe the following fiduciary duties to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the national laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business licence;
- (II) to treat all shareholders equally and fairly;
- (III) to understand the operation and management of the Company in a timely manner;
- (IV) to sign written confirmation opinions on periodic reports of the Company and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (V) to provide all relevant information required by the audit committee and shall not intervene the performance of its duties;
- (VI) to perform other due diligence obligations stipulated by laws, administrative regulations, departmental rules and these Articles.

Article 109 An Employee Representative Director shall exercise the following powers and functions:

- (I) to attend meetings of the Board of Directors and exercise the right to speak and vote as a Director;
- (II) to fully express opinions when the Board of Directors discusses and decides on major issues of the Company, and to truthfully reflect the democratic appraisal of senior management by the staff and employees' representative congress when determining the appointment or removal of senior management of the Company;
- (III) to provide opinions and suggestions on proposals and plans of Board meetings that involve the lawful rights and interests of employees or the vital interests of the majority of employees;
- (IV) to propose agenda items for Board meetings regarding rules, regulations or major matters involving the vital interests of employees, to request the convening of Board meetings in accordance with the law, to reflect the reasonable demands of employees, and to safeguard the lawful rights and interests of employees;
- (V) to attend, as a non-voting attendee, administrative office meetings of the Company and important meetings related to production and operation work that are relevant to his/her duties;

- (VI) to request the Company's labour union and relevant departments of the Company to report relevant situations and provide relevant information;
- (VII) to truthfully report situations to the Company's labour union, higher-level labour unions or relevant departments;
- (VIII) Other rights stipulated by laws, regulations, rules and regulations, and the Hong Kong Listing Rules.

Article 110 Any director who fails to attend board meetings in person and has not entrusted other directors to attend the meeting on his/her behalf for two consecutive times shall be deemed as unable to perform his duties. The board of directors shall propose to the shareholders' general meeting or the employees' congress, as the case may be, to remove such director.

Article 111 A director may resign before the expiry of his/her tenure. The resigning director shall submit to the Company a written resignation. The resignation shall take effect on the date the Company receives the written resignation. The Company shall disclose the relevant information within two trading days or the period as provided by the securities regulatory authority of the place where the Company's shares are listed.

If members of the board of directors of the company fall below the statutory minimum due to the resignation of directors, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association before the re-elected directors take office.

Any person appointed by the Board as a Director to fill a casual vacancy or to add to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

If the law does not provide otherwise, shareholders have the right to remove any non-employee representative director (including executive director or independent non-executive director) before the expiration of his/her term of office by ordinary resolution in general meeting; provided that such removal does not affect the director to claim for damages under any contract.

The minimum period for giving notice to the company of the proposed election of a person as a director as well as the minimum period for giving notice to the company of the person's indication of willingness to be elected is at least 7 days.

The period for filing the above-mentioned notice begins after the company sends the notice of the meeting for the election, and the period ends no later than 7 days (or before) by the date of the meeting.

Article 112 The Company shall establish a management system for departing directors, specifying safeguard measures for accountability and recovery concerning unfulfilled public commitments and other outstanding matters. A director shall complete all of the handover procedures with the Board once his/her resignation becomes effective or his/her term of office expires. The fiduciary duties to the Company and the shareholders are not necessarily released upon expiry of his/her term of office but shall remain effective in a term of 12 months after expiry. The liability of a director incurred during their term of office for actions taken in the performance of their duties shall not be waived or terminated by reason of their departure from office. The duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her term of office until such trade secrets become publicly known. Other duties owed by a director, which are not specified in an employment contract, may continue for such period as the principle of fairness may require depending on the duration between the act concerned and the termination and the specific circumstances and conditions under which the relationship between the director and the Company was terminated.

Article 113 The general meeting may, by resolution, remove a director, and such removal shall take effect on the date the resolution is passed.

If a director is removed without just cause before the expiry of their term of office, the director may claim compensation from the Company.

Article 114 In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his/her personal capacity on behalf of the Company or the Board. When a director acts in his/her personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his/her stance and capacity in advance.

Article 115 If a director, in the course of performing their duties for the Company, causes damage to others, the Company shall bear the compensation liability; if a director acts with intent or gross negligence, he/she shall also bear compensation liability. If a director breaches the laws, administrative regulations, departmental rules or these Articles of Association when carrying out his/her duties and causes loss to the Company, he/she shall be responsible for damages.

Article 116 The Company shall have independent non-executive directors, who shall be independent of the Company and its substantial shareholders and shall not perform in the Company any other duties other than that of an independent non-executive director.

Article 117 The Board develops the work system of independent non-executive Directors, which specifically stipulates the terms of office, election and replacement procedures and duties of independent non-executive Directors. The work system of independent non-executive Directors shall be formulated by the Board and approved by the shareholders' general meeting. The independent non-executive directors shall carry out responsibilities in accordance with the laws, administrative regulations and the relevant requirements of CSRC and Stock Exchange.

Section 2 The Board of Directors

Article 118 The Company shall have a board of directors accountable to the shareholders' general meeting.

Article 119 The board of directors consists of 10 directors. There are 1 chairman, 1 employee representative director and 4 independent non-executive directors for the Company. At any given time, there shall be at least 3 independent non-executive directors and shall account for more than one third of the total number of board members.

Article 120 The Board shall have the following duties and powers:

- (I) convening general meetings and presenting reports thereto;
- (II) implementing the resolutions made at the general meetings;
- (III) determining the Company's business and investment plans;
- (IV) working out the Company's profit distribution plans and loss recovery plans;
- (V) working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of shares, bonds or other securities and listing plans;
- (VI) formulating proposals for purchase of shares of the Company, merger, split-up, dissolution and change of the corporate form of the Company;
- (VII) deciding on matters of the Company such as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions and donations to others within the scope authorized by the general meeting;
- (VIII) deciding on the establishment of the Company's internal management departments;
- (IX) deciding on the appointment or dismissal of the general manager, the secretary of the Board and other senior management of the Company and their remuneration and incentives; deciding on the appointment or dismissal of senior management personnel, such as deputy general manager and financial head, as well as their remuneration and incentives according to the nomination of the general manager;
- (X) formulating the Company's basic management system;
- (XI) formulating the plan for modification of these Articles of Association;
- (XII) administering matters on information disclosures of the Company;

- (XIII) proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;
- (XIV) hearing the manager's work report and checking the general manager's work;
- (XV) acquiring shares of the Company as authorized by the general meeting in accordance with items (III), (V) and (VI) of clause I of Article 25 of these Articles of Association;
- (XVI) exercising other duties and powers granted by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, these Articles of Association or the general meeting.

The Board shall establish an audit committee, a remuneration committee and a nomination committee and other special committees (collectively as the “**Special Committees**”) if necessary to provide advice and opinions for its significant decisions. The membership and the rules of procedure are agreed by the Board. Being accountable to the Board, the Special Committees shall perform duties and responsibilities as authorized by these Articles and Association and the Board with proposals of the Special Committees submitted to the Board for consideration and approval. The Special Committees shall not resolve on a proposal in the name of the Board; however, in compliance with these Articles of Association, the mandatory provisions under PRC's relevant laws, regulations, regulatory documents and the listing rules of the stock exchange where the Company's shares are listed, they shall exercise the right of decision on the authorized matters under the special authorization of the Board.

Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration and decision.

Article 121 The Board shall make explanations to the general meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company.

Article 122 The Board shall formulate rules of procedure for the Board meetings in order to make sure that the Board shall implement the resolutions made by the general meeting, improve the work efficiency and guarantee scientific decision-making. The Rules of Procedure for the Board Meetings shall be formulated by the board of directors and attached to these Articles of Association, which shall be approved at the general meeting.

Article 123 The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, external borrowings, asset pledge, external guarantee, connected transactions and donations to others, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.

Article 124 The chairman of the Board shall be elected by a majority of votes of all directors.

Article 125 The chairman of the Board shall exercise the following functions and powers:

- (I) to preside over general meetings, and to convene and preside over the Board meetings;
- (II) to monitor and check the implementation of the Board's resolutions;
- (III) to sign material documents of the board of directors or other documents that shall be signed by the legal representative of the Company;
- (IV) to exercise the functions and powers of the legal representatives;
- (V) to exercise other functions and powers conferred by the Board.

Article 126 In the event that the chairman of the board of directors is unable to carry out his duties or fails to perform his duties, a director elected by a majority of all directors may perform his duties.

Article 127 The Board shall convene meetings at least twice annually, which shall be presided over by the chairman of the Board. Notice convening a Board meeting in writing shall be served to all directors at least 10 days prior to each meeting, notifying the time, venue and agenda of such meeting.

Article 128 Extraordinary Board meeting may be proposed to be convened by more than 1/10 of the shareholders with voting rights, more than 1/3 of the directors, the audit committee or over two independent non-executive directors. The chairman of the Board shall convene and preside over a Board meeting within 10 days from the receipt of such proposal.

Article 129 The notice of an extraordinary Board meeting to be convened by the Board shall be served in writing to all directors 3 days prior to the meeting. In case of emergency and an extraordinary board meeting is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

Article 130 A notice of a Board meeting shall include the following particulars:

- (I) the date and venue of the meeting;
- (II) the means of meeting;
- (III) the causes and matters;
- (IV) the date of issuance of the notice.

Specific matters to be included in the notice of a Board meeting shall be specified in the rules of procedures for Board meeting of the Company.

Article 131 Unless otherwise required by these Articles of Association, the Board meeting shall be attended by a majority of all the directors. Unless otherwise provided by laws, administrative regulations, departmental rules and these Articles of Association, resolutions of the Board shall be approved by a majority of all the directors.

For the voting on a resolution of the Board, each director shall have one vote.

Article 132 If any director has connected relationship with the enterprise or individual involved in the resolution made at a Board meeting, the said director shall promptly make a written report to the Board. The connected director shall not vote on the said resolution for himself or on behalf of other director. The said Board meeting may be held when more than half of the directors without a connected relationship are present. The resolution of the Board meeting shall be passed by more than half of the directors without a connected relationship. If the number of non-connected directors attending the Board meeting is less than 3, the matter shall be submitted to the general meeting for consideration.

Article 133 Resolutions of a Board meeting shall be voted by show of hands or by poll.

The convening of and voting at the Board meetings of the Company may be conducted by telephone or video conferencing.

Article 134 The directors shall attend the Board meeting in person; in the event that directors are unable to attend the meeting for some reason, the directors may appoint in writing other directors to attend the Board meetings. The proxy letter shall specify the proxy's name, authorized matters, scope of authorization and the valid term, and shall be affixed with the signature or seal of the principal. The director who attends the meeting on behalf of another director shall exercise the right of the director within the scope of authorization. If any director fails to attend the meeting of the board of directors or authorize a proxy to be present on his/her behalf, such director shall be deemed to have waived his voting rights at that meeting.

A director shall not be entrusted by more than two directors to attend a Board meeting on his/her behalf at a Board meeting. Independent non-executive directors can only appoint independent non-executive directors to attend meetings.

Article 135 Minutes shall be taken for decisions made on matters discussed at the meeting and directors attending the meeting shall sign on the minutes.

Minutes of Board meetings shall be kept and filed by the Company for no less than 10 years.

Article 136 The minutes of board meetings shall include the following:

- (I) date and venue of the meeting and the name of the convener;
- (II) names of the attending directors and names of those appointed by others (proxies) to attend the board meeting;

- (III) agenda of the meeting;
- (IV) main points of the statements of directors;
- (V) the method and results of voting for each resolution (the voting results shall clearly state the number of votes for or against the resolution or abstention).

Article 137 Directors shall be accountable for the board resolutions. If a board resolution violates the laws, administrative regulations or the Articles of Association thus causing losses to the Company, the directors participating in the resolutions shall be liable to compensate the Company for the losses. However, if it is verified that a director had stated his/her objection when voting and the same was recorded in the minutes, such director may be exempted from such liability.

Section 3 Secretary of the Board

Article 138 The Company shall have a Secretary to the Board, who will be responsible for the preparation of the shareholders' general meetings and meetings of the Board, document keeping as well as the management of shareholders' information, information disclosure and other matters. The Secretary of the Board shall be a senior management officer of the Company, who shall comply with laws, administrative regulations, regulations of the regulatory authorities and the Articles of Association.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Article 139 The Company shall have one general manager, who shall be appointed or removed by the Board. The Company shall have several deputy general managers, who shall be nominated by the general manager and appointed or removed by the Board.

Article 140 The circumstances defined in the Articles of Association with respect to disqualified directors and the resignation management system are applicable to the senior management officers.

Requirements set out in the Articles of Association with respect to the directors' duty of good faithfulness and obligations of integrity and diligence shall also be applicable to the senior management officers.

The senior management officers of the Company shall perform their duties faithfully and protect the best interests of the Company and all shareholders. If the senior management officers of the Company fail to perform their duties faithfully or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for damages according to law.

Article 141 A person holding other duties other than directorship and supervisor in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a senior management officer of the Company. The senior management officers shall be only entitled to salaries paid by the Company, and the controlling shareholders shall not pay the salaries on behalf of the Company.

Article 142 The term of office of the general manager shall be 3 years, and the general manager can be reappointed after the expiry of the term of office.

Article 143 The general manager shall report to the board of directors and have the following duties and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions adopted by the Board, and to report his work to the board of directors;
- (II) to organize and implement the annual business plans and investment plans of the Company;
- (III) to draft schemes for the establishment of the Company's internal management departments;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate the detailed rules and regulations of the Company;
- (VI) to make proposals regarding the appointment or removal of the deputy general manager and financial head of the Company;
- (VII) to appoint or remove managerial officers other than those to be appointed or removed by the board of directors;
- (VIII) other duties and powers authorized by the Articles of Association and the Board.

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

Article 144 The general manager shall formulate detailed working rules for the general manager and submit the same to the board of directors for approval and, upon such approval, implement such rules.

Article 145 The detailed working rules formulated for the general manager shall include the following:

- (I) conditions and procedures for convening and participants of the general manager's meetings;
- (II) specific duties and division of labour of the general manager, deputy general manager and other senior management officers;
- (III) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting to the board of directors;
- (IV) other matters as deemed necessary by the board of directors.

Article 146 The general manager may resign prior to the expiration of his term of office. The detailed procedures and methods for the general manager's resignation shall be set out in the labor contract entered into between the general manager and the Company.

Article 147 Deputy general managers shall be nominated by the general manager and appointed and removed by the board of directors, and assist the general manager to work and report their work to the general manager.

Article 148 If any senior management officer causes harm to others while performing his/her duties for the Company, the Company shall be liable for compensation. If the senior management officer acted with intent or gross negligence, they shall also bear liability for damages. The senior management officers shall be liable for any losses caused to the Company by their breach of any law, administrative regulation, department rules or the Articles of Association in performing their duties on behalf of the Company.

CHAPTER 7 AUDIT COMMITTEE OF THE BOARD

Article 149 The Company shall not establish a supervisory committee or appoint any supervisor. The audit committee shall exercise the powers and functions of the supervisory committee as prescribed under the Company Law, while performing its duties in accordance with the Hong Kong Listing Rules and the Terms of Reference for the Audit Committee.

Article 150 The audit committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. Resolutions made by the audit committee shall be passed by a majority of its members.

Article 151 The audit committee under the board of directors shall formulate the rules of procedure for the audit committee under the board of directors which specifies method of discussion and voting procedure of the audit committee under the board of directors, to ensure the working efficiency and scientific decision-making of the audit committee under the board of directors.

Article 152 The audit committee under the board of directors shall record its decisions on the items of the agenda in form of minutes. The attending members shall sign on the minutes.

Any member shall be entitled to have an explanatory note made in the minutes regarding his or her speech at the meeting. The minutes of meetings of the audit committee under the board of directors shall be kept as the Company's record for a term of at least 10 years.

Article 153 The notice of the meeting of the audit committee under the board of directors shall include the following:

- (I) date, venue and period of the meeting;
- (II) purposes and topics;
- (III) date of notice.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 154 The Company shall establish a financial and accounting system in line with the laws, administrative regulations and provisions of the relevant national authorities.

The Company shall issue a consolidated annual financial audit report for the previous year respectively in accordance with the accounting standards in China. The financial audit report shall be submitted to the board of directors and the shareholders' general meeting for approval after being audited by the accounting firm engaged by the Company.

Article 155 The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

Article 156 The Company shall, when distributing the post-tax profit of an accounting year, accrue 10% of the profit to list it in the statutory reserves of the Company. The Company may not further accrue the statutory reserves when its accumulative amount exceeds 50% of the registered capital of the Company.

When the statutory reserves of the Company falls short to offset the loss of prior years, the Company shall use the profit earned during the year to offset the loss before accruing the statutory reserves according to the previous paragraph.

After accruing the statutory reserves out of the post-tax profit, the Company may, subject to the resolution of the shareholders' general meeting, accrue the discretionary reserve out of the post-tax profit.

The post-tax profit left after the loss recovery and accrual of the reserves shall be distributed in proportion according to the shareholding proportions of the shareholders, unless otherwise specified under the Articles of Association.

If the shareholders' general meeting distributes the profit to the shareholders in violation of the Company Law, the shareholders shall return to the Company the profit distributed in violation of the law. Shareholders and the accountable directors and senior management shall be responsible for compensation of any losses caused to the Company.

The company shares held by the Company shall not participate in the profit distribution.

Article 157 The reserves of the Company are used to offset the losses of the Company, expand business scale or bolster registered capital.

To cover the Company's losses, the voluntary reserve and statutory reserve shall be used first. If the losses cannot be fully covered thereafter, the capital reserve may be used in accordance with applicable regulations.

When the statutory reserve is converted into additional registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

Article 158 After a resolution on the profit distribution plan is made at the shareholders' general meeting, the board of directors of the Company shall complete the distribution of the dividend (or Shares) within 2 months after the said meeting.

Article 159 The Company may distribute dividends in cash or shares, in particular:

- (I) Dividends distribution principle of the Company: the Company implements the dividend distribution policy of equal shares entitling to equal profits, under which dividends and other forms of benefits are distributed to shareholders in proportion to the number of shares they hold. The Company implements active profit distribution policy, attaches importance to delivering reasonable investment returns to investors and maintains the continuity and stability of the policy. The Company may distribute profit by means of cash or shares, while profit distribution shall neither exceed the range of the accumulated distributable profits nor harm the sustainable operation capability of the Company. The Board, the audit committee and the shareholders' general meeting of the Company shall fully consider the opinions of the independent non-executive directors and public investors in the decision-making and demonstration process of the profit distribution policy.
- (II) General method of profit distribution of the Company: the Company adopts to distribute profit in cash, in shares or in a combination of both cash and shares. Under the condition of available cash for dividends distribution, the Company shall give priority to distribute the profit by way of cash dividend.
- (III) Specific conditions and proportions of cash dividend of the Company: the Company mainly adopts the policy of profit distribution in cash dividends, which means if the Company makes profits in the current year and it still has profits for distribution after recovery of losses and withdrawal of the statutory reserve fund and surplus accumulation fund in accordance with the law, the Company should carry out cash dividend; the profit distribution of the Company shall not exceed the scope of accumulated distributable profit.

Article 160 The Company shall appoint a receiving agent for holders of overseas-listed shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect to the overseas-listed shares, and such payment shall be kept by the receiving agent on such shareholders' behalf for any payment to them.

The receiving agent appointed by the Company shall satisfy requirements under the laws of the places where the shares are listed or the rules of relevant stock exchange. The receiving agent appointed by the Company for the shareholders of overseas listed shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Hong Kong Trustee Ordinance.

Subject to the relevant laws and regulations of the People's Republic of China, the Company may exercise its right to forfeit unclaimed dividends, provided that such right shall not be exercised until after the expiration of 6 years from the date of announcement in respect of dividends distribution.

The Company may cease sending dividend warrants by post to a holder of overseas-listed shares in the event that such warrants have been left uncashed, and the Company shall only exercise such power until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

In relation to the exercise of right to issue warrants to bearer, no new warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond a reasonable doubt that the warrant has been destroyed. The Company has the right to sell, by means considered appropriate by the board of directors, the shares of a domestic shareholder of the overseas-listed shares who is untraceable under the following circumstances:

- (I) During a period of 12 years dividends are distributed onto such shares at least 3 times and no dividend during that period has been claimed; and
- (II) Upon expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the Hong Kong Stock Exchange in respect of such intention.

Article 161 The cash dividend and other amount paid by the Company to the shareholders of domestic unlisted shares shall be paid in Renminbi. The cash dividend and other amounts paid by the Company to the holders of overseas-listed shares shall be denominated and declared in Renminbi and paid in Hong Kong Dollars. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of overseas-listed shares shall be arranged in accordance with the provisions of the People's Republic of China in relation to foreign exchange administration.

Article 162 Unless the pertinent laws and administrative rules otherwise provide, the dividend and other sums to be distributed in Hong Kong Dollars shall adopt the average central parity rate of Renminbi against Hong Kong dollar quoted from the People's Bank of China during the calendar week before the date of the declaration of the dividend and the distribution of other monies.

Section 2 Internal Audit

Article 163 The Company adopts the internal audit system and clearly defines the leadership structure, authority and responsibilities, staffing, budgetary safeguards, utilization of audit findings and accountability under the internal audit framework. The Company's internal audit system shall be implemented upon approval by the board of directors and publicly disclosed.

Article 164 The Company's internal audit function conducts oversight and inspection of business operations, risk management, internal controls, and financial information of the Company.

Article 165 The Internal Audit function shall be responsible to the Board of Directors.

In the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the Internal Audit function shall accept the supervision and guidance of the Audit Committee. If the Internal Audit function discovers relevant material issues or clues, it shall immediately report directly to the Audit Committee.

Article 166 The specific organization and implementation for the Company's internal control evaluation shall be the responsibility of the Internal Audit function. The Company shall issue its annual internal control evaluation report based on the evaluation report and related materials issued by the Internal Audit function and reviewed by the Audit Committee.

Article 167 When the Audit Committee communicates with external auditors such as accounting firms and state audit authorities, the Internal Audit function shall actively cooperate and provide necessary support and collaboration.

Article 168 The Audit Committee shall participate in the performance appraisal of the head of Internal Audit.

Section 3 Engagement of Accounting Firm

Article 169 The Company shall appoint one or more accounting firms which satisfy the relevant PRC requirements to carry out an audit of the accounts statements, verification of net assets and other relevant advisory services for a term of 1 year, which is renewable.

Article 170 The appointment or dismissal of an accounting firm by the Company shall be decided at shareholders' general meetings by an ordinary resolution and the Board shall not decide on the appointment of an accounting firm prior to a shareholders' general meeting.

Article 171 The Company shall guarantee that it will provide the employed accounting firm(s) with authentic and complete accounting documents, account books, financial statements and other accounting materials without rejection, concealment or false information.

Article 172 The audit fee of the accounting firm shall be decided by an ordinary resolution at a shareholders' general meeting.

Article 173 For removal or non-renewal of an accounting firm, 20 days of prior notice shall be given to the accounting firm, which is allowed to make representations upon voting on its removal at a shareholders' general meeting.

An accounting firm resigning on its own initiative shall make a declaration at the shareholders' general meeting as to whether there is any impropriety in the Company.

CHAPTER 9 NOTICES AND ANNOUNCEMENTS

Article 174 The Company's notices shall be given in the following ways:

- (I) by courier;
- (II) by postage;
- (III) by facsimile or email;
- (IV) by announcement;
- (V) by making announcement on the websites designated by the Company and Hong Kong Stock Exchange in compliance with laws, administrative regulations and the listing rules of the stock exchanges on which the Company's shares are listed;
- (VI) through other means stipulated by laws, administrative regulations, rules or these Articles of Association.

Article 175 A notice sent by the Company in the form of an announcement shall be deemed to have been received by all of the relevant personnel once such announcement has been published.

Article 176 A notice of meeting convening a shareholders' general meeting of the Company shall be made in the form of an announcement.

Article 177 A notice of meeting convening a Board meeting of the Company shall be made in writing by courier or postage or email or facsimile.

Article 178 For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of delivery. If the notice of the Company is delivered by post, it shall be deemed to have been received on the 5th working day from the date the notice is delivered to the post office. If the notice of the Company is delivered by way of announcement, it shall be deemed to have been received on the date on which the announcement is first published. If the notice of the Company is delivered by way of facsimile, it shall be deemed to have been received at the record time the facsimile is made. If the notice of the Company is delivered by way of email, it shall be deemed to have been received at the time it is sent as recorded by the computer.

Article 179 Only the accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, any person entitled to receive notice shall not invalidate the meeting or the resolutions passed at the meeting.

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

Section 1 Merger, Demerger, Capital Increase and Capital Reduction

Article 180 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company, whereby the merged companies shall be dissolved.

Article 181 Where the consideration paid by the Company for a merger does not exceed 10% of the Company's net assets, such merger may not require a resolution of the general meeting, unless otherwise stipulated in these Articles of Association and the Hong Kong Listing Rules.

Where the Company proceeds with a merger in accordance with the preceding paragraph without a resolution of the general meeting, such merger shall be subject to a resolution of the Board of Directors.

Article 182 In the event of a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days of the date of the Company's merger resolution and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's merger resolution. Within 30 days from receipt of the notice, or within 45 days from the date of the announcement if no notice is received, the creditors may demand the Company to settle its debts or to provide corresponding guarantee.

Article 183 At the time of a merger of the Company, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

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

In the event of division of the Company, a balance sheets and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days of the date of the Company's division resolution and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's division resolution.

Article 185 Debts of the Company prior to division shall be jointly and severally assumed by the companies which exist after the division, except those debts that have otherwise separately agreed by the Company with the creditors in writing for the settlement of the debts before the division.

Article 186 The Company shall prepare a balance sheet and an inventory of assets in the event of reduction of registered capital.

The Company shall notify its creditors within 10 days of the date of the general meeting's resolution on reduction of registered capital and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days of the date of the Company's reduction resolution. Within 30 days the creditors receive the announcement, or within 45 days the announcement is announced if the creditors have not received the announcement, the creditors shall have the right to demand the Company to settle its debts or to provide corresponding guarantee.

The Company reducing its registered capital shall proportionally decrease shareholders' capital contributions or shares according to their respective shareholding percentages, unless otherwise provided by law or the Articles of Association.

Article 187 If the Company, after making up for losses in accordance with the provisions of Article 157, paragraph 2 of these Articles of Association, still has losses, it may reduce its registered capital to offset the remaining losses. When reducing registered capital to offset losses, the Company shall not make distributions to shareholders, nor shall it exempt shareholders from their obligation to pay up their capital contributions or share subscriptions.

When reducing registered capital in accordance with the preceding paragraph, the provisions of Article 186, paragraph 2 of these Articles of Association shall not apply. However, an announcement shall be published in a newspaper (or on the National Enterprise Credit Information Publicity System) within 30 days from the date the general meeting passes the resolution to reduce registered capital.

After the Company has reduced its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the aggregate amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

Article 188 If the Company reduces its registered capital in violation of the Company Law and other relevant regulations, shareholders shall return any funds they received, and any waived shareholder capital contributions shall be restored to their original status; where losses are caused to the Company, the shareholders and the responsible directors and Senior Management shall bear compensation liability.

Article 189 When the Company issues new shares to increase its registered capital, shareholders do not have pre-emptive subscription rights, unless otherwise provided in these Articles of Association or decided by a resolution of the general meeting that shareholders shall have pre-emptive subscription rights.

Article 190 The Company shall, in accordance with law, apply for change in its registration with the companies registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

When there is increase or reduction in the share capital of the Company, the Company shall apply for change in its registration with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 191 In any of the following circumstances, the Company shall be dissolved:

- (I) the term of operation specified in these Articles of Association expires or any other circumstance for dissolution specified in these Articles of Association arises;
- (II) the shareholders' general meeting by special resolution dissolves the Company;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the business license is revoked, the Company is ordered to close, or is wound up according to law;
- (V) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the voting rights of the Company may appeal to the People's Court for dissolution of the Company.

Where the Company encounters any of the dissolution causes specified in the preceding paragraph, it shall publicize the dissolution causes through the National Enterprise Credit Information Publicity System within 10 days.

Article 192 In the circumstance set out in (I) and (II) of Article 191 of the Articles of Association, with assets not yet distributed to shareholders, the Company may continue to subsist by amending these Articles of Association or by a resolution of the general meeting.

The amendment to the Articles of Association or a resolution of the general meeting made pursuant to the preceding paragraph shall be passed by shareholders who hold two-thirds of the voting rights present at the shareholders' general meeting.

Article 193 Where the Company is dissolved pursuant to sub-paragraphs (I), (II), (IV) and (V) of Article 191 of the Articles of Association, a liquidation shall be conducted. In the event that Directors are the liquidation obligors of the Company, a liquidation committee shall be formed within 15 days from the date of occurrence of such grounds for dissolution, to start the liquidation process. The composition of the liquidation committee shall consist of the directors or other individuals as otherwise required by the Articles of Association or decided by the general meeting. If the liquidation obligors fail to perform their liquidation duties in a timely manner, thereby causing losses to the Company or its creditors, they shall be liable for compensation.

Article 194 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors by sending notice and making public announcement;

- (III) to deal with and settle any outstanding businesses of the Company;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to distribute the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in any civil proceedings.

Article 195 The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days from the date of its establishment. The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

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

Article 196 After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or to the People's Court for confirmation.

The asset of the Company shall be used respectively for payment of liquidation expenses, staff wages, social insurance expenses, statutory compensations, tax in arrears and payment of the Company's debts; the remaining assets of the Company after repayment of its debts shall be distributed in accordance with the shareholding percentages of the shareholders.

During the liquidation period, the Company continues to exist but it shall not engage in business activities which do not relate to the liquidation. The Company's asset shall not be distributed to shareholders before making repayment pursuant to the preceding paragraph.

Article 197 If, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall apply to a People's Court for bankruptcy and liquidation pursuant to the law.

After the bankruptcy application is accepted by a People's Court, the liquidation committee shall handover the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 198 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' general meeting or a People's Court for confirmation, and then submit the same to the company registration authority for application for cancelling the registration of the Company.

Article 199 Members of the liquidation committee shall perform their liquidation duties with fiduciary duties of loyalty and diligence.

A member of the liquidation committee who fails to diligently perform his/her liquidation duties, thereby causing losses to the Company, shall be liable for compensation, and who causes creditors to suffer losses intentionally or due to gross negligence shall be liable for compensation.

Article 200 If the Company is declared bankrupt pursuant to the law, it shall conduct bankruptcy liquidation pursuant to the laws in connection with enterprise bankruptcy.

CHAPTER 11 AMENDMENT TO ARTICLES OF ASSOCIATION

Article 201 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) upon revision of the Company Law or the relevant laws and administrative regulations, any item contained in the Articles of Association contradicts the stipulations of the revised laws and administrative regulations;
- (II) the Company's situation has changed and is inconsistent with the items recorded in the Articles of Association;
- (III) the shareholders' general meeting has decided on making amendments to the Articles of Association.

Article 202 Amendments to the Articles of Association shall become effective upon the passing of a special resolution at the shareholders' general meeting; where any amendments to the Articles of Association is subject to the review and approval of competent authorities in accordance with the laws and regulations at such time, it shall be submitted to the competent authority for approval; where company registration matters are involved, formalities regarding a change of registration shall be completed in accordance with the laws.

Article 203 The board of directors shall amend the Articles of Association pursuant to the resolution of the shareholders' general meeting on the amendment of the Articles of Association and the review and approval opinion of competent authorities. Where amendment to the Articles of Association should be disclosed as required by laws and regulations, an announcement shall be made pursuant to regulations.

CHAPTER 12 SUPPLEMENTARY RULES

Article 204 Definitions

- (I) Controlling shareholder refers to the shareholders whose shares account for more than 50% of a joint stock company's total share capital, or the shareholders whose proportion of shares is less than or equal to 50%, while their entitlement to voting rights is sufficient to have a significant impact on the resolution of the shareholders' general meeting, or has the meaning stipulated in the "Hong Kong Listing Rules".

(II) De facto controller refers to the natural person, legal persons or other entities who are able to actually control the acts of the Company through an investment, agreement or other arrangement.

(III) Connected relationship refers to that as defined in the Hong Kong Listing Rules.

(IV) Connected person refers to that as defined in the Hong Kong Listing Rules.

Article 205 The Articles of Association are written in Chinese. In the event of any conflict between the Articles of Association in other languages or different versions and the Articles of Association in Chinese, the Chinese version most recently registered with the company registration authority shall prevail.

Article 206 In the Articles of Association, the terms “at least” and “within” are inclusive terms, while the terms “over”, “other than”, “lower than” and “more than” are exclusive terms.

Article 207 The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.

Article 208 The appendices to the Articles of Association shall include the Rules of Procedure for general meetings and the Rules of Procedure for board of directors.

Article 209 The Articles of Association shall become effective upon the date of consideration and approval by the general meeting. In the case of amendments, such amendments shall become effective upon the passing of a special resolution at the shareholders’ general meeting.

* *For identification purposes only*