

Shanghai Chicmax Cosmetic Co., Ltd.

Articles of Association

**(Approved at the 2021 First Extraordinary General Meeting
of the Company on December 21, 2021,
amended at the 2021 Annual General Meeting of the Company on June 29, 2022,
amended at the 2022 Third Extraordinary General Meeting
of the Company on December 7, 2022,
amended at the 2023 First Extraordinary General Meeting
of the Company on October 16, 2023,
amended at the 2024 First Extraordinary General Meeting
of the Company on September 30, 2024,
amended at the 2024 Annual General Meeting of the Company on May 6, 2025,
amended at the 2025 First Extraordinary General Meeting of the Company on June 25, 2025,
amended at the 2025 Second Extraordinary General Meeting of the Company on September
25, 2025)**

CONTENTS

Chapter I	General Provisions	3
Chapter II	Business Objective and Scope	5
Chapter III	Shares	5
Chapter IV	Shareholders and Shareholders' General Meeting	10
Chapter V	Board of Directors.	33
Chapter VI	Senior Management Member.	43
Chapter VII	Financial and Accounting System, Distribution of Profits and Audit.	45
Chapter VIII	Notice and Announcement.	48
Chapter IX	Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation	49
Chapter X	Amendments to the Articles of Association.	54
Chapter XI	Supplementary Provisions	55

Shanghai Chicmax Cosmetic Co., Ltd.

ARTICLES OF ASSOCIATION

Chapter I General Provisions

- Article 1** To safeguard the legitimate rights and interests of Shanghai Chicmax Cosmetic Co., Ltd. (the “Company”), its shareholders, employees and creditors, and to regulate the organisation and activities of the Company, the Articles of Association have been established in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), the Securities Law of the People’s Republic of China (中華人民共和國證券法) (the “Securities Law”), the Trial Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations of the State and with reference to the Guidelines on Articles of Association of Listed Companies (上市公司章程指引).
- Article 2** The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant regulations.
- The Company was established by way of promotion through conversion from former Shanghai Chicmax Cosmetic Co., Ltd. (上海上美化妝品有限公司) as a whole under the laws of the PRC on December 24, 2020, and was registered with the Shanghai Municipal Bureau of Market Supervision Administration and obtained a business license. The Company’s unified social credit code is 91310000763349534X.
- Article 3** The Company was listed on the Main Board of the Hong Kong Stock Exchange on December 22, 2022 as approved by the China Securities Regulatory Commission (the “CSRC”) on April 12, 2022. As approved, the Company may issue no more than 73,059,000 H shares, with a nominal value of RMB1 per share, all of which are ordinary shares.
- Article 4** The Chinese name of the Company: 上海上美化妝品股份有限公司
English name: Shanghai Chicmax Cosmetic Co., Ltd.
- Article 5** Domicile: Room 308-3, 3rd Floor, No. 8.10 Quanzhou Road, Xuhui District, Shanghai
Postcode: 200233
- Article 6** The registered capital of the Company is RMB398,128,442.
- Article 7** The Company is a joint stock limited company having perpetual existence.

- Article 8** The general manager who represents the Company in executing its affairs is the legal representative of the Company.
- If the general manager who serves as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time
- If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation of the legal representative.
- Article 9** The legal consequences of civil activities performed by a legal representative in the name of the Company shall be borne by the Company.
- No restrictions on the authority of the legal representative set forth in the Articles of Association or by the shareholders' general meeting may be asserted against a bona fide counterparty.
- Where the legal representative causes damage to any other person in the performance of his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, claim reimbursement from the legal representative at fault in accordance with the laws or the Articles of Association.
- Article 10** Shareholders bear responsibilities to the Company to the extent of the number of the shares they subscribe. The Company bears responsibilities for its debts with all its assets.
- Article 11** The Articles of Association shall be a legally binding document that regulates the Company's organisation and activities, the rights and obligations between the Company and its shareholders as well as among the shareholders, and shall be legally binding on the Company, shareholders, directors and senior management members from the date on which it takes effect. Pursuant to the Articles of Association, shareholders may take legal action against other shareholders, directors, senior management members of the Company and the Company, and the Company may take legal action against its shareholders, directors and senior management members.
- Article 12** The senior management members referred to in the Articles of Association represent the general manager, deputy general managers, chief financial officer, secretary to the Board of Directors of the Company and other senior management members identified by the Board.

Chapter II Business Objective and Scope

Article 13 The business objective of the Company is to make popular products enjoyed by consumers (做消費者喜愛的產品).

Article 14 The business scope of the Company shall be subject to the activities as approved by the Company's registration authority.

After registered legally, the business scope of the Company includes: general business scope: cosmetics wholesale; cosmetics retail; stationery wholesale; hardware products wholesale; sales of daily provisions; sales of packaging materials and products; sales of rubber products; sales of plastic products; sales of sanitary and disposable medical supplies; sales of disinfectants (excluding hazardous chemicals); goods import and export; technology import and export. (Except for activities subject to approval in accordance with the law, business activities may independently be carried out in accordance with the law with the business license) Approved business scope: goods import and export; technology import and export. (Act that are subject to approval in accordance with the law can only be carried out after the approval of the relevant authorities. Operations of specific businesses are subject to the approval documents or permits of the relevant authorities).

Chapter III Shares

Section 1 Shares Issuance

Article 15 The shares of the Company shall be issued in the form of shares certificates.

Article 16 The issuance of shares of the Company shall be conducted in accordance with the principles of openness, fairness and justice so that each of the shares of the same class shall carry the same rights.

For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Each share subscribed by any subscriber is to be paid for at the same price.

Article 17 The par-value shares issued by the Company shall be denominated in RMB.

RMB referred to in the preceding paragraph means the lawful currency of the People's Republic of China.

Article 18 The overseas listed foreign shares issued by the Company in Hong Kong shall be called H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

The Company's shares in issue but unlisted at both domestic and overseas stock exchanges shall be referred to as unlisted shares.

The holders of unlisted shares of the Company can convert their unlisted shares into overseas listed shares, and seek the listing and trading of the aforesaid shares on the overseas stock exchange to the extent permitted by relevant laws, administrative regulations and departmental regulations after the overseas shares of the Company are issued and listed. The aforesaid shares that are listed and traded on the overseas stock exchanges shall also comply with the regulatory procedures, regulations and requirements of the domestic and overseas securities market. Converting the aforesaid unlisted shares into overseas listed shares, and seeking the listing and trading of the aforesaid shares on the overseas stock exchange are not required to vote at a shareholders' general meeting to be convened.

Among the shares issued by the Company, the unlisted shares shall be centrally registered and deposited with a domestic securities registration and clearing institution, and the registration and clearing arrangements for overseas listed shares shall be subject to the regulations of the place where the Company's shares are listed.

Article 19

The total number of ordinary shares issued by the Company when it was converted into a joint stock limited company as a whole is 180,000,000, all of which are par-value shares with a par value of RMB1 per share, representing 100% of the then total issued ordinary shares of the Company; the name of each promoter, total number of shares held, percentage of shareholdings, method of capital contribution and time of capital contribution are as follows:

No.	Name of promoter	Total number of shares held (0'000)	Percentage of shareholdings (%)	Method of capital contribution	Time of capital contribution
1	Lyu Yixiong	7,372.0000	40.9556	Net assets	October 31, 2020
2	Shanghai Hongyin Investment Co., Ltd.	5,400.0000	30.0000	Net assets	October 31, 2020
3	Shanghai Nanyin Investment Co., Ltd.	3,044.0000	16.9111	Net assets	October 31, 2020
4	Shanghai Kans Enterprise Management Co., Ltd	528.0000	2.9333	Net assets	October 31, 2020
5	Zhang Huai'an	415.3860	2.3077	Net assets	October 31, 2020
6	Youngor Investment Co., Ltd.	415.3860	2.3077	Net assets	October 31, 2020
7	Shanghai Ximei Investment Center (Limited Partnership)	381.6000	2.1200	Net assets	October 31, 2020
8	Shanghai Yingfu Enterprise Management Partnership (Limited Partnership)	276.9300	1.5385	Net assets	October 31, 2020
9	Shanghai Shengyan Business Manage	83.6280	0.4646	Net assets	October 31, 2020
10	Shenzhen Anxin Zhipu Investment Consulting Partnership (Limited Partnership)	83.0700	0.4615	Net assets	October 31, 2020
Total		18,000.0000	100.0000	/	/

Article 20 Upon the completion of such issuance of H shares, and the partial exercise of the Over-Allotment Option, the capital structure of the Company comprises of 397,957,900 ordinary shares, including 200,614,140 unlisted shares.

To date, the number of issued shares of the Company is 398,128,442 ordinary shares, including 191,752,560 unlisted shares.

Article 21 The Company shall not provide gifts, loans, guarantees and other financial assistance to others for acquiring the shares of the Company or its parent company, except the employee stock ownership plan implemented by the Company.

For the benefit of the Company, with a resolution passed at the shareholders' general meeting, or a resolution adopted by the Board of Directors pursuant to the Articles of Association or with the authorization of the shareholders' general meeting, the Company may provide financial assistance to others for acquiring the shares of the Company, provided that the aggregate total amount of financial assistance shall not exceed ten percent of the total issued share capital. Resolutions made by the Board of Directors shall be passed by more than two-thirds (2/3) of all the directors.

In violation of the preceding two paragraphs and thereby causing the Company to suffer a loss, the responsible directors and senior management members shall be liable for compensation.

Where the Company engages in any act described in this Article, it shall comply with the provisions of laws, administrative regulations, the provisions of the CSRC and regulatory rules of the place where the Company's shares are listed.

Section 2 Increase, Decrease and Repurchase of Shares

Article 22 The Company may increase its capital pursuant to the needs of operation and development and in accordance with the laws, regulations, listing rules of the place where the shares are traded, subject to the resolution of shareholders' general meeting by the way of:

- (1) offering of shares to unspecified targets;
- (2) offering of shares to specified targets;
- (3) bonus issuance of shares to existing shareholders;
- (4) conversion of capital reserves into share capital;
- (5) any other means stipulated in the laws and administrative regulations and by the relevant regulatory authority.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval as specified in the Articles of Association and listing rules of the place where the shares are traded and follow the procedures specified in the relevant laws and administrative regulations of the PRC and the listing rules of the place where the shares are traded.

A resolution of the Board of Directors shall be passed by more than two-thirds (2/3) of all directors if the Board of Directors decides to issue new shares pursuant to the Articles of Association or the authorization by the shareholders' general meetings.

If the Board of Directors decides to issue shares in accordance with the provisions of the preceding paragraph, which results in the change in the registered capital and the number of issued shares of the Company, the amendment to such matters recorded in the Articles of Association shall not be subject to the vote of the shareholders' general meeting.

Article 23

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

In case of reduction of registered capital in violation of the requirements of the Company Law, the Hong Kong Listing Rules and other relevant regulations and the Articles of Association, the shareholders shall return the funds so received, and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses incurred to the Company, the shareholders and the responsible directors and senior management members shall be liable for compensation.

Article 24

The Company shall not repurchase its shares, except under any of the following circumstances:

- (1) reducing its registered capital;
- (2) merger with another company that holds shares in the Company;
- (3) when utilising shares in employee stock ownership plan or equity incentives;
- (4) a shareholder requesting the Company to purchase the shares held by him since he objects to a resolution of the shareholders' general meeting on the combination or division of the Company;
- (5) utilising the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary for the Company to maintain its corporate value and shareholders' equity;
- (7) any other circumstance permitted by laws and administrative regulations, listing rules of the place where the shares of the Company are listed and approved by the regulatory authorities.

Article 25 The Company may repurchase its shares through public and centralised trading or other methods as permitted by laws, administrative regulations and the CSRC and the stock exchange where the Company's shares are listed.

If it is otherwise provided in relevant laws and regulations, normative documents and relevant requirements of the securities regulatory authority of the place where the Company's shares are listed regarding the relevant matters of the repurchase of the shares, such provisions shall prevail.

Article 26 A resolution of a shareholders' general meeting is required for the repurchase of the Company's own shares under either of the circumstances stipulated in item (I) or item (II) of first paragraph of Article 24 hereof; for the Company's repurchase of its own shares under any of the circumstances stipulated in item (III), item (V) or item (VI) of first paragraph of Article 24 hereof, a resolution of a meeting of the Board of Directors shall be passed by more than two-thirds (2/3) of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorised by the shareholders' general meeting.

Where the Company repurchases its shares under the circumstances in items (III), (V) and (VI) of first paragraph of Article 24 hereof, the repurchase shall be carried out by public concentrated transaction.

The Company's shares acquired under the circumstance stipulated in item (I) of first paragraph of Article 24 hereof shall be deregistered within ten (10) days from the date of acquisition of shares; the shares shall be assigned or deregistered within six (6) months if the repurchase of Company's own shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares of the Company held in total by the Company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed ten percent (10%) of the Company's total outstanding shares, and shall be assigned or deregistered within three (3) years.

Section 3 Share Transfer

Article 27 The shares of the Company shall be transferred according to law.

The transfer of shares shall be registered with registration and clearing agency appointed by the Company.

Article 28 The Company shall not accept any of its own shares as the subject of pledge.

Article 29 The shares issued prior to the public issuance of shares by the Company shall not be transferred within one (1) year of the date on which the shares of the Company are listed and traded on a stock exchange.

The directors and senior management members of the Company are subject to laws and regulations, regulatory rules of the place where the shares of the Company are listed and the Articles of Association in trading the Company's shares. During their terms of office as determined upon appointment, directors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than twenty-five percent (25%) of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their departure from the Company. Where it is otherwise provided in the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association has otherwise provided, such provisions shall prevail.

Chapter IV Shareholders and Shareholders' General Meeting

Section 1 General Provisions of Shareholders

Article 30 A shareholder shall enjoy rights and assume obligations in accordance with the class of shares he/she holds; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The Company shall prepare a register of members and made the same available at the Company, and the register of members shall register therein the following particulars, or register members in accordance with laws, administrative regulations, departmental rules and the Hong Kong Listing Rules: (I) the name (title), address (place of domicile), occupation or nature of each shareholder; (II) the class and number of shares subscribed by each shareholder; (III) the amount paid-up or payable in respect of shares subscribed by each shareholder; (IV) the serial numbers of the shares if the shares are issued in paper form; (V) the date on which each shareholder was registered as a shareholder; (VI) the date on which each shareholder ceased to be a shareholder. Unless there is evidence to the contrary, the register of members shall be the sufficient evidence of the shareholders' shareholding in the Company. Subject to compliance of the Articles of Association and other applicable regulations, once the shares of the Company are transferred, the name (title) of the transferee shall be included in the register of members as holder of such shares.

The Company shall enter into a securities registration and service agreement with the share registration and clearing authorities, make regular inquiry about the details of the substantial shareholders and the changes in their shareholding (including the pledge of their equity rights) and keep up with the shareholding structure of the Company. Assignment and transfer of shares shall be recorded in the register of members. The Company shall provide a register of members in respect of the holders of H Shares for shareholders' inspection, but the Company may temporarily close the register of members (if required) in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

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

- (1) the register of members which is maintained at the Company's place of domicile (other than those registers of members as described in items (II) and (III) of this Article);
- (2) the register of members in respect of the holders of H shares of the Company which is maintained at the place where the overseas stock exchange where the shares are listed is located;
- (3) the register of members which is maintained in such other place as the Board of Directors may consider necessary for the purpose of listing of the Company's shares.

Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register of members shall, during the existence of that registration, be registered in any other part of the register of members. Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.

All H Shares shall be transferred by way of written transfer instrument in standard form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A written transfer document may be signed by hand or (where the transferor or transferee is a corporation) by the company's seal. In the event that the transferor or transferee of the shares of the Company is a recognised clearing house as defined under the laws of Hong Kong or those of its agent, a written transfer document may be signed by hand or in a machine-printed form. All transfer instruments shall be kept at the legal address of the Company or other places as may be designated by the Board of Directors from time to time.

Article 31

When the Company convenes a shareholders' general meeting, distribute dividends, enter into liquidation and engage in other activities that require determination of the identity of shareholders, the Board of Directors or convener of the shareholders' general meeting shall determine the record date, registered shareholders at the close of market on which shall be the shareholders entitled to the relevant rights and interests.

Article 32

Holders of shares of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other profit distributions in proportion to the number of shares held;
- (2) the right to apply for, holding, convene, preside, attend or appoint proxies to attend shareholders' general meetings lawfully and to exercise the corresponding voting right;
- (3) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;
- (4) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (5) the right to inspect or make copies of the Articles of Association, register of members, minutes of shareholders' general meetings, resolutions of the meetings of the Board of Directors and the financial and accounting reports, and (a shareholder who meets the relevant requirements may) inspect the Company's accounting books and vouchers;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- (7) shareholders who object to resolutions of merger or division made by the shareholders' general meeting have the right to request the Company to purchase their shares;
- (8) such other rights conferred by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders individually or collectively holding three percent (3%) or more of the shares of the Company for one hundred and eighty (180) consecutive days or more may request to inspect the accounting books and accounting vouchers of the Company. In case the shareholders request to inspect the accounting books and accounting vouchers of the Company, such request shall be made to the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the shareholders are inspecting the accounting books and accounting vouchers for improper purposes and may result in damage to the Company's legitimate interests, the Company may refuse the inspection and make written response to the shareholders stating its reasons within fifteen (15) days upon delivery of the written request by the shareholders. If the Company refuses the inspection, the shareholders may initiate legal proceedings in the people's court in respect thereof.

For shareholders who request to inspect or make copies of relevant materials of the wholly-owned subsidiaries of the Company, the provisions of the preceding two paragraphs shall apply.

Shareholders may appoint professional parties such as accounting firms or law firms to inspect the materials as required in the preceding paragraph.

When the shareholders and the appointed professional parties such as accounting firms or law firms inspect and make copies of the relevant materials, they shall comply with the requirements of the laws and administrative regulations in relation to the protection of state secrets, trade secrets, personal privacy and personal information.

Article 33 The Company shall make available of the Articles of Association, register of members, minutes of shareholders' general meetings, minutes of Board of Directors meetings, financial and accounting reports and register of bondholders at the Company.

Article 34 Shareholders who request to inspect and copy relevant materials of the Company shall abide by the Company Law, the Securities Law and other laws and administrative regulations.

Article 35 If a resolution passed at or by the shareholders' general meeting or the Board of Directors of the Company violates the laws or administrative regulations, the shareholders shall have the rights to submit a petition to the people's court to render the resolution invalid.

If the procedures for convening, or the method of voting at, a shareholders' general meeting or meeting of the Board of Directors violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the people's court to revoke such resolution within sixty (60) days from the date on which such resolution is adopted. However, this shall not apply when there are only minor defects in the convening procedures or voting method of the shareholders' general meeting or meeting of the Board of Directors that do not materially affect the resolution.

Where the Board, shareholders and other relevant parties dispute the validity of a resolution passed at the shareholders' 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 relevant parties shall execute the resolution of the shareholders' general meeting. The Company, directors and senior management member shall diligently perform their duties to ensure the normal operations 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, requirements of the CSRC and the securities regulatory authority of the place 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 36

Where the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by directors and senior management members, other than members of the audit committee, in the course of performing their duties, shareholders individually or jointly holding one percent (1%) or more of the shares of the Company for one hundred and eighty (180) consecutive days or more shall have the rights to request in writing the audit committee to initiate legal proceedings in the people's court. Where the Company incurs loss as a result of violation of laws, administrative regulations or the Articles of Association by a member of audit committee in the course of performing its duties, the aforesaid shareholders may request in writing to the Board of Directors to initiate legal proceedings in the people's court.

If the audit committee or the Board of Directors refuses to initiate legal proceedings upon receipt of the written request of shareholders stated in the preceding paragraph, or fails to initiate such legal proceedings within thirty (30) days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the rights to initiate legal proceedings in the people's court directly in their own names in the interest of the Company.

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the people's court in accordance with the provisions of the two preceding paragraphs.

If the Company incurs loss as a result of violation of the laws, administrative regulations or the Articles of Association by the directors, supervisors or senior management members of a wholly-owned subsidiary of the Company in the course of performing their duties, or if any person infringes the lawful rights and interests of a wholly-owned subsidiary of the Company and thus causes losses, shareholders who individually or collectively holding more than one percent (1%) of the shares of the Company for one hundred and eighty (180) consecutive days or more may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law, request in writing, that the board of supervisors or the board of directors of the wholly-owned subsidiary to initiate legal proceedings in the people's court, or initiate legal proceedings in the people's court directly in their own names. If the Company's wholly-owned subsidiary has not established the supervisory committee or any supervisor, but has established an audit committee of the board, the matter shall be dealt with in accordance with the first and second paragraphs of this Article.

Article 37 If any director or senior management members is in violation of laws, administrative regulations or the Articles of Association, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings in the people's court in respect thereof.

Article 38 The shareholders of the Company shall assume the following obligations:

- (1) to abide by the obligations stipulated in laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association;
- (2) to pay the share subscription money based on the shares subscribed for by them and the method of acquiring such shares;
- (3) not to withdraw share capital except as prescribed by laws or regulations;
- (4) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person or the limited liability of shareholders to harm the interests of the Company's creditors;

any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

If shareholders conduct any action stipulated in the preceding paragraph by using two or more companies controlled by him/her, each of the company shall assume joint and several liability for any one of the company's debts.

- (5) to assume other obligations required by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.

Unless otherwise specified, shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

Section 2 Controlling Shareholder and De Facto Controller

Article 39 The controlling shareholder and the de facto controller of the Company shall exercise their rights and fulfill their obligations in accordance with the laws, administrative regulations, the regulations of the CSRC and the securities regulatory authority of the place where the Company's shares are listed, in order to safeguard the interests of the listed company.

Article 40 The controlling shareholder or the de facto controller of the Company shall not use their connected relationship to prejudice the interests of the Company. In violation of such provisions, he/she shall be liable to compensate the Company for the losses thereof.

The controlling shareholder and the de facto controller of the Company bear fiduciary duties towards the Company and the public shareholders of the Company. The controlling shareholder shall exercise his/her rights as a capital contributor strictly in accordance with the laws. The controlling shareholder shall not make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing, or providing guarantee, to damage the legitimate rights and interests of the Company and its public shareholders. Nor shall he/she take the advantage of its controlling position to the detriment of the Company and public shareholders.

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the place where the Company's shares are listed, a controlling shareholder exercises his/her right as a shareholder, he/she shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders:

- (1) to waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his/her own benefits or for the benefits of another person), in any way, of the Company's properties, including but not limited to any opportunities beneficial to the Company;
- (3) to approve the expropriation by a director or supervisor (for his/her own benefits or for the benefits of another person) of personal rights of other shareholders, including but not limited to any rights to distributions and voting rights, but excluding the corporate restructuring submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

Article 41 In the event of any transfer of the Company's shares held by a controlling shareholder or de facto controller, they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations, the regulations of the CSRC and the securities regulatory authority of the place where the Company's shares are listed, as well as the undertakings they have made in respect of restrictions on share transfer.

Section 3 General Rules of the Shareholders' General Meeting

Article 42

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

- (1) to elect and replace directors and decide on matters relating to their remuneration;
- (2) to review and approve reports of the Board of Directors;
- (3) to review and approve the profit distribution plans and loss recovery plans of the Company;
- (4) to adopt resolutions on increasing or reducing the registered capital of the Company;
- (5) to adopt resolutions on the issuance of corporate bonds, any class of shares, any share warrants or other similar securities and their listing proposals;
- (6) to adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (7) to amend the Articles of Association;
- (8) to adopt resolutions on the engagement or dismissal of the accounting firms undertaking audit services of the Company;
- (9) to consider and approve the guarantees under Article 43 hereof;
- (10) to review the purchase or the sale of major assets by the Company within one (1) year, with an aggregated amount exceeding thirty percent (30%) of the latest audited total assets of the Company;
- (11) to consider and approve matters relating to the changes of uses of funds raised;
- (12) to review the equity incentive scheme and employee stock ownership plan;

- (13) to review any transactions where the applicable percentage ratios calculated by the Company pursuant to the percentage ratios requirement under Rule 14.07 of the Hong Kong Listing Rules amount to twenty-five percent (25%) or more (including one-off transactions and a series of transactions requiring a combined percentage ratio, but excluding any transactions that may be exempted from approval of the shareholders' general meeting under the Hong Kong Listing Rules or with the approval of Hong Kong Stock Exchange) or any connected transactions where the applicable percentage rate reaches five percent (5%) or more (including one-off transactions and a series of transactions requiring a combined percentage rate, but excluding any connected transactions that may be exempted from disclosure or announcement under the Hong Kong Listing Rules or with the approval of Hong Kong Stock Exchange);
- (14) to review other matters required to be resolved by the shareholders' general meeting as prescribed by laws, regulations, the listing rules of the stock exchange where the Company' shares are listed and the Articles of Association.

The Board of Directors may be authorised by the shareholders' general meeting to adopt resolutions on the issuance of corporate bonds.

Article 43

The following external guarantee offered by the Company shall be considered and approved by a shareholders' general meeting.

- (1) any guarantee provided after the total amount of external guarantees by the Company and its subsidiaries exceeds fifty percent (50%) of the latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees by the Company exceeds thirty percent (30%) of the latest audited total assets;
- (3) guarantee provided by the Company to others with a guarantee amount exceeds thirty percent (30%) of the latest audited total assets of the Company within one (1) year;
- (4) guarantee provided for a target party whose asset-liability ratio is over seventy percent (70%);
- (5) guarantee with a single guaranteed amount exceeds ten percent (10%) of the latest audited net assets;
- (6) guarantee provided to shareholders, de facto controllers and their connected parties.

Other external guarantees other than specified in this Article shall be considered and approved by the Board of Directors with the authorisation of the shareholders' general meeting.

If any director, general manager and other senior management member causes loss to the Company by violating any stipulations in relation to the examination and approval authority and procedures of approval concerning external guarantee specified in the laws, administrative regulations and the Articles of Association, he/she shall be liable for the compensation, and the Company may take legal action against him/her pursuant to the laws.

Article 44 Shareholders' general meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once (1) every financial year and within six (6) months after the end of the preceding fiscal year.

Article 45 The Company shall convene an extraordinary general meeting within two (2) months from the date of the occurrence of any of the following circumstances:

- (1) the number of directors is less than the number provided for in the Company Law or less than two-thirds (2/3) of the number prescribed in the Articles of Association;
- (2) the losses of the Company that have not been made up reach one-third (1/3) of its total share capital;
- (3) shareholder(s) individually or collectively holding no less than ten percent (10%) of the Company's outstanding voting shares request(s) in writing to convene an extraordinary general meeting (the number of shares held shall be calculated based on the number of shares held at the close of the market on the day when the shareholder(s) make(s) the written request, or, if the day on which the written request is made is not a trading day, the preceding trading day);
- (4) the Board of Directors considers it necessary;
- (5) the audit committee proposes that such a meeting shall be held;
- (6) other circumstances as specified by laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the Company' shares are listed and the Articles of Association.

Article 46 The place where the Company holds the shareholders' general meeting shall be the domicile of the Company or places specified in the notice of the meeting.

The shareholders' general meeting shall have a venue and be held in the form of an on-site meeting, by electronic communication methods or in other forms permitted by laws and regulations. Where applicable, the Board of Directors of the Company may, in view of specific circumstances and in accordance with laws, administrative regulations, the requirements of the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association, adopt other voting methods to facilitate shareholders' participation in the shareholders' general meeting.

Section 4 Convening of Shareholders' General Meeting

Article 47 The Board of Directors shall timely convene the shareholders' general meeting within the timeframe as required.

With the approval by a majority of all Independent Directors, Independent directors are entitled to propose to the Board of Directors to convene an extraordinary general meeting. For such proposal, the Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, reply in writing within ten (10) days upon the receipt of the proposal as to whether the Board of Directors agrees or disagrees on the convening of the extraordinary general meeting. Where the Board of Directors agrees to convene the extraordinary general meeting, a convening notice will be issued within five (5) days after the resolution of the Board of Directors; where the Board of Directors disagrees to convene the extraordinary general meeting, reasons shall be specified and announcements shall be made.

Article 48 The audit committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, reply in writing as to whether the Board of Directors agrees or disagrees on the convening of the extraordinary general meeting within ten (10) days upon the receipt of the proposal.

When the Board of Directors agrees to convene the extraordinary general meeting, a convening notice will be issued within five (5) days after the resolution of the Board of Directors, and the changes made to the original proposal in the notice shall be approved by the audit committee.

When the Board of Directors disagrees to convene the extraordinary general meeting, or fails to reply within ten (10) days upon the receipt of the proposal, the Board of Directors will be deemed as not being able to perform or not to perform its duty to convene a shareholders' general meeting, and the audit committee may convene and preside over such meeting on their own.

Article 49 Where shareholders severally or jointly holding ten percent (10%) or more of shares of the Company request the Board of Directors to convene an extraordinary general meeting, they shall put forward such request the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, reply in writing as to whether the Board of Directors agrees or disagrees on the convening of the extraordinary general meeting within ten (10) days upon the receipt of the requisition.

If the Board of Directors agrees to convene an extraordinary general meeting, a convening notice shall be issued within five (5) days after the resolution of the Board of Directors. Any modification to the original requisition(s) shall be approved by the relevant shareholders.

If the Board of Directors disagrees to convene the extraordinary general meeting, or fails to issue a reply within ten (10) days upon receipt of the requisition(s), shareholders severally or jointly holding ten percent (10%) or more of the shares of the Company may propose to the audit committee to convene an extraordinary general meeting, and shall make such requests in writing to the audit committee.

If the audit committee agrees to convene the extraordinary general meeting, a convening notice will be issued within five (5) days upon the receipt of the request, and any modification to the original requisition(s) shall be approved by relevant shareholders.

In the event that the audit committee fails to issue the convening notice within the prescribed period, the audit committee will be deemed as not to convene or preside the shareholders' general meeting. Shareholders severally or jointly holding ten percent (10%) or more of the shares of the Company for consecutive ninety (90) days may convene the extraordinary general meeting and preside over on their own.

Article 50

If the shareholders' general meeting is convened by the audit committee or shareholders on their own, a written notice shall be issued to the Board of Directors, and it should be filed with the securities regulatory authority in the place where the Company is registered and the stock exchange in the place where the Company's shares are listed in accordance with applicable provisions.

Prior to the announcement of the resolution of the shareholders' general meeting, the proportion of shares held by the summoning shareholders shall be no less than ten percent (10%).

The audit committee or the summoning shareholders shall, when issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting, submit the relevant supporting documents to the securities regulatory authority in the place where the Company is registered and the stock exchange in the place where the Company's shares are listed in accordance with the applicable provisions.

Article 51

Where the shareholders' general meeting is convened by the audit committee or shareholders, the Board of Directors and the secretary to the Board of Directors shall provide cooperation. The Board of Directors shall provide the register of shareholders as of the record date.

Article 52

The necessary expenses for the shareholders' general meeting convened by the audit committee or shareholders on its/their own initiative shall be borne by the Company.

Section 5 Proposals and Notices of Shareholders' General Meetings

Article 53 The content of proposals shall fall within the terms of reference of the shareholders' general meeting and shall contain clear subjects for discussion and specific matters to be resolved and shall comply with relevant provisions of laws, administrative regulations and the listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 54 The Board of Directors, the audit committee or shareholders who hold, individually or collectively, more than one percent (1%) of the Company's shares shall have the right to propose a motion to the Company for consideration at the shareholders' general meeting of the Company.

Shareholders individually or collectively holding one percent (1%) or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener ten (10) days prior to the convening of the shareholders' general meeting. The convener of the shareholders' general meeting shall issue a supplemental notice of shareholders' general meeting to other shareholders within two (2) days of the receipt of such proposal to announce the content of interim proposals, and incorporate such newly proposed matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting for consideration at the shareholders' general meeting, unless such interim proposals are in violation of the requirements under the laws, administrative regulations or the Articles of Association, or do not fall within the scope of duties of the shareholders' general meeting.

Save as provided in the preceding paragraph, the convener, after issuing the notice of the shareholders' general meeting, shall neither modify the proposals stated in the notice of shareholders' general meetings nor add new proposals.

A shareholders' general meeting shall not vote and make resolution on those proposals which are not stated in the notice of meeting or not in compliance with the Articles of Association.

Article 55 The convener shall notify all shareholders of the meeting by public announcement twenty (20) days prior to the convening of the annual general meeting (excluding the day when the meeting is held). In case of an extraordinary general meeting, the shareholders shall be notified by public announcement fifteen (15) days prior to the convening of the meeting.

Article 56 Notice of a shareholders' general meeting shall include:

- (1) time, place and duration of the meeting;
- (2) the matters and proposals to be considered at the meeting;
- (3) a conspicuous statement that all shareholders are entitled to attend the shareholders' general meeting, and all shareholders have the right to appoint proxies in writing to attend the meeting and vote on his/her behalf, and that such proxy need not be a shareholder of the Company;
- (4) the record date for shareholders entitled to attend the shareholders' general meeting;
- (5) the names and telephone numbers of the contact persons of the meeting;
- (6) time and procedures of the voting online or by any other means.

Notices and supplementary notices of shareholders' general meetings shall adequately and completely disclose the particulars of all proposals.

Article 57 Where the shareholders' general meeting discusses the election issues of directors, the notice of shareholders' general meeting shall fully disclose the detailed information of the candidates for directors, at least including the following contents:

- (1) education background, work experience, part-time jobs and other personal information;
- (2) whether they are affiliated with the Company, the controlling shareholder or de facto controller of the Company;
- (3) the number of the Company's shares held by them;
- (4) whether they have been punished by the CSRC or other competent authorities or whether stock exchange has taken any disciplinary action against them.

In addition to the adoption of a cumulative voting system for the election of directors, each candidate of directors shall be nominated in a separate proposal.

Article 58 After the notice of the shareholders' general meeting being issued, the meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of shareholders' general meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two (2) business days prior to the original meeting date.

Section 6 Holding of Shareholders' General Meetings

Article 59 The Board of Directors of the Company and other conveners shall take necessary measures to maintain the normal order at the shareholders' general meeting. Measures shall be taken to stop behaviors such as disruption of the shareholders' general meeting, provocation of trouble and infringement on the legitimate rights and interests of shareholders and such behaviors shall be promptly reported to relevant authorities for investigation.

Article 60 All shareholders whose names appear on the register of shareholders on the record date or their proxies shall be entitled to attend and vote at the shareholders' general meeting in accordance with relevant laws, regulations, the listing rules of the stock exchange of the place where the Company's shares are listed and the Articles of Association.

Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf.

Article 61 Individual shareholders who attend the shareholders' general meeting in person shall show their identity certificates or other valid certificates or documents that can prove their identities; proxies attending the meeting shall show their valid identification documents and the power of attorney issued by shareholders.

Corporate shareholders shall send their legal representatives or proxies appointed by the legal representatives to attend the meeting. The legal representatives attending the meeting shall show their identity certificates and valid certificates that can prove the qualification of legal representative; proxies attending the meeting shall show their identity certificates and the written power of attorney issued by the legal representatives of corporate shareholders according to laws.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal person, either under seal or under the hand of a director or attorney duly authorised.

Where such shareholder is a recognised clearing house (or its nominee) within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise one (1) or more persons as it deems fit to act as its representative(s) or proxy(ies) at any shareholders' general meeting or any class meeting, provided that, if more than one person is so authorised, the power of attorney or the form of proxy shall specify the number and class of shares in respect to which person is so authorised. The person so authorised may exercise the rights on behalf of the recognised clearing house (or its nominees) as if such person were an individual shareholder of the Company, and such proxy shall have the same statutory rights as other shareholders, including the rights to speak and to vote.

- Article 62** The power of attorney issued by shareholders to appoint proxies to attend the shareholders' general meeting shall contain the following information:
- (1) name of the appointor, as well as the class and number of shares of the Company held by him/her;
 - (2) name of the proxy;
 - (3) specific instructions from the shareholders, including instructions as to how to vote (voting in the affirmative, negative, or in abstention) in relation to each of the resolutions on the agenda of the shareholders' general meeting;
 - (4) date of issuance and term of validity;
 - (5) signature (or seal) of the appointor; if the appointor is a legal person, the document shall be affixed with the legal person's seal.

The instrument issued to a shareholder by the Board of Directors of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed and in respect of each individual matters to be voted on at the meeting.

- Article 63** The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than twenty four (24) hours prior to the convening of the meeting at which the proxy proposes to vote, or twenty four (24) hours prior to the specified time for voting, or provided to the Company through alternative means (such as electronic means), provided that the laws, regulations and listing rules of the Company's place of registration and the place where its shares are listed are not violated.

If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting, or provided to the Company through alternative means (such as electronic means), provided that the laws, regulations and listing rules of the Company's place of registration and the place where its shares are listed are not violated.

- Article 64** The attendance records of the meeting shall be prepared by the Company. The records shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, the number of voting shares held or represented by them, and the names (or corporate names) of the appointors.

Article 65 The convener and the lawyers engaged by the Company (if applicable) shall jointly verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authorities and shall record the names of shareholders together with the number of voting shares held by them. The attendance records of the meeting shall be closed before the president of the meeting announces the number of shareholders and proxies present at the meeting and the total number of voting shares held by them.

Article 66 When a shareholders' general meeting requires that any director or senior management personnel, attend the meeting as non-voting participants, such director or senior management personnel shall attend such meeting as a non-voting attendee and answer inquiries from the shareholders. Subject to the securities regulatory rules of the place where the Company's shares are listed, the aforesaid persons may attend the meeting as a non-voting attendee by internet, video, telephone or other means with equivalent effect.

Article 67 The shareholders' general meeting shall be presided over by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable to or fails to perform his/her duties, one (1) director elected by more than half of the directors may preside over the meeting.

A shareholders' general meeting convened by the audit committee shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable to or fails to perform his/her duties, one (1) member of audit committee elected by more than half of the members of audit committee may preside over the meeting.

A shareholders' general meeting convened by the shareholders shall be presided over the convener or by a representative recommended by him/her.

During the course of a shareholders' general meeting, if the president of the meeting violates the procedural rules such that the meeting cannot be continued, the shareholders at the shareholders' general meeting may elect one (1) person to act as the president to continue the meeting with the approval of the shareholders with more than half of voting rights who are present at the meeting.

Article 68 The Company shall formulate the rules of procedure for the shareholders' general meeting, and specify the calling, convening and voting procedures, including notice, registration, and consideration, voting and votes counting of proposals, announcement of voting results, formation of meeting resolutions, minutes of meetings and signature thereof, announcements, and the principle of authorisation by the shareholders' general meeting to the Board of Directors. The authorisation should be clear and specific in terms of contents. The rules of procedure of the shareholders' general meeting shall be an annex to the Articles of Association, which shall be drafted by the Board of Directors and approved by the shareholders' general meeting.

Article 69 At the annual general meeting, the Board of Directors should report to the shareholders' general meeting on the work they have undertaken over the past year. Each independent non-executive director shall also submit his/her work report.

Article 70 The directors and senior management members shall make explanation and clarification to the shareholders' queries and suggestions at the shareholders' general meeting.

Article 71 Before voting, the presider of the meeting shall announce the number of shareholders and proxies attending the meeting and the total number of voting shares held by them. The number of shareholders and proxies attending the meeting and the total number of voting shares held by them are subject to the attendance records of the meeting.

Article 72 Minutes shall be recorded for the shareholders' general meeting, and the secretary to the Board of Directors shall be in charge of recording the minutes.

The minutes shall contain the following information:

- (1) the time, venue, and agenda of the meeting, as well as the name of the convener;
- (2) the names of the presider of the meeting, and the directors and senior management members who observe the meeting;
- (3) the number of shareholders and proxies present at the meeting, the total number of voting shares held by them, and the percentage in the total number of the Company's shares;
- (4) the deliberation process for each resolution, key points of speeches made and voting results;
- (5) any enquiries or suggestions made by shareholders and the corresponding response or explanation;
- (6) the names of the lawyers engaged (if applicable), vote counter and scrutineer;
- (7) any other matters required by the provisions of the Articles of Association to be recorded in the minutes.

Article 73 The convener shall ensure that the minutes are truthful, accurate and complete. The attending or presenting directors, secretary to the Board of Directors, convener or their representatives and the presider of the meeting shall sign on the minutes. The minutes, list of signatures by shareholders in attendance, powers of attorney, and valid information regarding voting online or via other methods shall be filed and kept for at least ten (10) years.

Article 74 The convener shall ensure that the shareholders' general meeting does not end until final resolutions have been concluded. In the event that the shareholders' general meeting is adjourned or resolutions cannot be reached due to force majeure or other special circumstances, necessary measures shall be taken to reconvene the meeting as soon as possible or conclude the meeting directly, and timely announcement and/or report shall be made in accordance with laws, administrative regulations, departmental rules, normative documents or securities regulatory rules of the place where the Company's shares are listed.

Section 7 Votings and Resolutions at the Shareholders' General Meeting

Article 75 Resolutions of the shareholders' general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a shareholders' general meeting shall be adopted by shareholders in attendance holding more than half of the voting rights.

Special resolution at a shareholders' general meeting shall be adopted by shareholders in attendance holding two-thirds (2/3) of the voting rights.

The shareholders referred to in this Article include shareholders who appoint proxies to attend shareholders' general meetings.

Article 76 The following matters shall be resolved by ordinary resolutions at a shareholders' general meeting:

- (1) work reports of the Board of Directors;
- (2) plans formulated by the Board of Directors for distribution of profits and for making up losses;
- (3) appointment or removal of members of the Board of Directors, and their remuneration and manner of payment thereof;
- (4) other matters that require the approval of the shareholders' general meeting, except those as required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association to be approved by special resolutions.

- Article 77** The following matters shall be resolved by special resolutions at a shareholders' general meeting:
- (1) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;
 - (2) the division, spin-off, merger, dissolution and liquidation or change of corporate form of the Company;
 - (3) the amendment to the Articles of Association;
 - (4) to review and approve the purchase or the sale of major assets or the guarantee provided by the Company to others within one (1) year with an amount exceeding thirty percent (30%) of the latest audited total assets of the Company;
 - (5) the equity incentive scheme;
 - (6) other matters which laws, administrative regulations, the listing rules of the stock exchange where the Company' shares are listed or the Articles of Association require to be adopted by special resolutions and which, as determined by ordinary resolutions at the shareholders' general meeting, will have a material impact on the Company and is therefore required to be adopted by special resolutions.

Article 78 The shareholders shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share, except for class shareholders.

When material matters affecting the interests of small and medium shareholders are considered at a shareholders' general meeting, the votes of small and medium shareholders shall be counted separately. The results of separate votes counting shall be disclosed publicly in a timely manner.

Shares in the Company which are held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' general meeting.

Shareholders who purchase the voting shares of the Company in violation of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within thirty-six (36) months after purchasing them, and such number of voting shares shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' general meeting.

The Board of Directors of the Company, independent directors, shareholders holding more than one percent (1%) of the shares carrying voting rights or investor protection agencies established in accordance with laws, administrative regulations or requirements of the CSRC may publicly solicit shareholders' voting rights. The specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited when soliciting shareholders' voting rights. It is forbidden to solicit shareholders' voting rights with compensation or compensation in disguised forms. The Company shall not impose a minimum shareholding proportion limit on the solicitation of voting rights except for statutory conditions.

The shareholders referred to in the first paragraph of this Article include shareholders who appoint proxies to attend shareholders' general meetings.

Article 79 When the shareholders' general meeting considers matters relating to related transactions, the related shareholders shall abstain from voting and the number of voting shares represented by them shall not be counted in calculating the total number of valid votes. The public announcement resolved at the shareholders' general meeting shall fully disclose the voting results of the non-related shareholders.

Article 80 Unless the Company is in a crisis or under any other exceptional circumstances, the Company shall not conclude any contract with any person other than a director or senior management officer whereby such person is put in charge of the management of all or important business of the Company without the approval by special resolutions at the shareholders' general meeting.

Article 81 The list of candidates for directors shall be submitted to the shareholders' general meeting for voting by proposals.

When the shareholders' general meeting votes on election of directors, the cumulative voting system may be adopted according to the Articles of Association or the resolution of the shareholders' general meeting.

The specific operating procedures of the cumulative voting system are as follows:

- (1) When the shareholders' general meeting votes on candidates for directors, the voting rights of each shareholder are equal to the number of shares held by the shareholder multiplied by the number of directors to be elected. Shareholders may collectively exercise their voting rights and vote for one or more director candidates; they may also vote for all director candidates separately;

- (2) The number of candidates voted for by each voting shareholder cannot exceed the number of directors or supervisors to be elected. When the total number of voting rights exercised by a shareholder on one or more director candidates exceeds the total voting rights owned by it, the shareholder's vote is deemed to be an abstention; when the total number of voting rights exercised by a shareholder on one or more director candidates is less than the total voting rights owned by it, the shareholder's vote is valid, and the difference will be deemed to be an abstention;
- (3) The votings of independent non-executive directors and nonindependent directors of the Company shall be carried out separately;
- (4) The scrutineers and vote-counters at the shareholders' general meeting shall carefully verify the above conditions to ensure the fairness and effectiveness of the cumulative voting.

Article 82 In addition to the cumulative voting system, the shareholders' general meeting shall vote on all the proposals separately. Where there are several proposals for the same matter, such proposals shall be voted on in the order of time at which they are submitted. Unless the shareholders' general meeting is adjourned or no resolutions can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the shareholders' general meeting.

Article 83 When considering a proposal, the shareholders' general meeting shall not amend it, and if any amendment is made, such amendments shall be deemed as a new proposal and may not be voted on at that meeting.

Article 84 The same vote may only be cast once at the on-site general meeting, or online or by other means. Where the same vote is cast for two or more times, the first cast shall prevail.

Article 85 At any shareholders' general meeting, voting shall be conducted by open poll. Voting at shareholders' general meetings may be conducted through electronic communication means.

Article 86 Before the shareholders' general meeting votes on a proposal, two (2) shareholders' representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder is related to a matter being considered, he/she and his/her proxies may not participate in the vote counting or vote scrutiny.

When the shareholders' general meeting votes on a proposal, attorneys (if applicable) and shareholders' representatives shall be jointly responsible for counting and scrutinising votes and shall announce the voting results at the meeting. The voting results shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies, who have cast their votes online or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

- Article 87** The ending time of a shareholders' general meeting shall not be earlier than that of online meeting or other access to the meeting. The chairman of the meeting shall announce the voting outcome and results for each proposal, and whether or not such proposal has been passed according to such voting results.
- Prior to the formal announcement of voting results, the Company, vote-counters, scrutineers, shareholders, internet service provider and relevant parties involved in voting at the shareholders' general meeting, online or by other means, shall be obliged to keep the status of voting confidential.
- Article 88** A shareholder attending a shareholders' general meeting shall express one of the following opinions on any proposal put to vote: for, against or abstention, save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of the shares under the Stock Connect between Mainland and Hong Kong, make reporting in accordance with the instruction of the de facto holders of relevant shares.
- If a poll is blank, marked erroneously, illegible or has not been cast, the voter shall be deemed to have waived his/her right to vote and the voting results for the number of shares that he/she holds shall be recorded as "abstained".
- Article 89** If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he/she may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy and who objects to the result announced by the chairman of the meeting shall have the right to demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted promptly.
- Article 90** The resolution of the shareholders' general meeting shall be promptly announced. The announcement shall state the number of attending shareholders and proxies, the total number of their voting shares and their percentages to the total number of the voting shares of the Company, the voting methods, the voting result for each proposal, and the details of each resolution passed at the meeting.
- Article 91** Where a proposal has not been passed or the resolutions of the preceding shareholders' general meeting have been changed at the current shareholders' general meeting, special mention shall be made in the announcement of the resolutions of the shareholders' general meeting.
- Article 92** Where a resolution on the election of a director is passed at the shareholders' general meeting, the newly-elected director shall take office from the date when relevant resolution is adopted at the meeting or the appointment set out in relevant resolution becomes effective.
- Article 93** Where a proposal in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at the shareholders' general meeting, the Company shall implement the specific plans within two (2) months after the conclusion of the shareholders' general meeting.

Chapter V Board of Directors

Section 1 General Rules of Directors

Article 94 Directors of the Company shall be natural persons. The following person may not serve as a director of the Company:

- (1) A person without capacity or with limited capacity for civil conduct;
- (2) A person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, or who has been deprived of his/her political rights due to criminal offense, where less than five (5) years have elapsed since the sentence was served, or less than two (2) years have elapsed since the date of expiration of the probationary period if such person is sentenced to probation;
- (3) A person who served as a director, or factory director or general manager and who bore personal liability for the bankruptcy liquidation of a company or enterprise, where less than three (3) years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;
- (4) A person who served as a legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law and who bore personal liability for such violation, where less than three (3) years have elapsed since the date of the revocation of business license and order to close down of such company or enterprise;
- (5) A person who has a relatively large amount of debts which have fallen due but have not been settled and was listed as a dishonest person subject to enforcement by the people's court;
- (6) A person who is banned by the CSRC from entering into the securities market for a period which has not yet expired;
- (7) A person who is publicly determined by the securities regulatory authority of the place where the Company's shares are listed as unsuitable to be a director or senior management member of a listed company, with the determination still effective;
- (8) Other contents required by the laws, administrative regulations, departmental rules or the relevant laws and regulations of the place where the Company's shares are listed.

If the directors are elected, appointed or engaged in violation of this Article, such election, appointment or engagement shall be invalid. Any director falling into any of the circumstances set out in this Article during his/her term of office shall be dismissed by the Company and shall cease to perform his/her duties.

Article 95 Non-employee representative directors shall be elected or removed from office at a shareholders' general meeting and the shareholders' general meeting may dismiss any director before the expiration of his/her term of office. Employee representative directors shall be elected or replaced at the meeting of employees' representatives, which is not required to be submitted to the shareholders' general meeting for consideration, and the meeting of employees' representatives may dismiss any employee representative director before the expiration of his/her term of office. The term of office of a director shall be three (3) years, and a director may be re-elected and reappointed upon expiry of his/her term of office.

The term of office of a director shall be counted from the date he/she taking office until the expiration of the term of the current Board of Directors. When the directors' term expires and a re-election is not held in time, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association before the re-elected directors take office.

Article 96 Directors shall comply with laws, administrative regulations and the Articles of Association, bear the duties of loyalty towards the Company, and shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their position and power to seek improper benefits.

Directors shall bear the following duties of loyalty to the Company:

- (1) not to expropriate the Company's property or misappropriate the Company's funds;
- (2) not to open any account in their own name or in any other name for the deposit of the Company's funds;
- (3) not accept any bribery or other illegal income by using his/her position and power;
- (4) not to directly or indirectly enter into any contract or conduct any transaction with the Company without reporting to the Board of Directors for its consideration and obtaining approval through a resolution of the board of directors in accordance with the provisions of the Articles of Association;
- (5) not to take advantage of their positions to seek for themselves or others any business opportunities that should belong to the Company without reporting to the Board of Directors for its consideration and approval, or where the Company cannot take such business opportunity in accordance with the provisions of laws, administrative regulations or the Articles of Association;
- (6) not to conduct any businesses similar to those of the Company for themselves or others without reporting to the Board of Directors for its consideration and approval;

- (7) not to take as their own any commission for any transaction between others and the Company;
- (8) not to disclose any secret of the Company unauthorisedly;
- (9) not to use their connected relationships to harm the interests of the Company;
- (10) to fulfill other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Directors' income derived from violation of this Article shall belong to the Company; and directors shall be liable to compensate any loss incurred therefrom to the Company.

The provisions under (4) of paragraph 2 of this Article shall be applicable to the close family members of the directors, the enterprises directly or indirectly controlled by the directors or their close family members, and the related persons who have other related relationships with the directors when they enter into contracts or conduct transactions with the Company.

Article 97

Directors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the duty of diligence towards the Company, and in performing their duties, shall exercise the reasonable care normally expected of a manager for the best interests of the Company.

Directors shall bear the following duties of care to the Company:

- (1) to prudently, conscientiously and diligently exercise the rights granted by the Company, so as to ensure that the business practices of the Company comply with national laws, administrative regulations and the requirements of various economic policies of the state, and that its business activities do not fall beyond the scope of business specified in the business license;
- (2) to treat all shareholders impartially;
- (3) to keep informed of the operation and management conditions of the Company;
- (4) to sign the written confirmation in respect of the regular reports of the Company to assure that the information disclosed by the Company is true, accurate and complete;
- (5) to honestly provide the audit committee with relevant information and data, and not to prevent the audit committee from performing its or their duties and powers;
- (6) to fulfill other duties of care stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Article 98 If a director fails to attend Board meetings, either in person or by appointing another director on behalf of him/her, for two (2) consecutive meetings, he/she shall be deemed as failing to perform his/her duties. The Board of Directors shall propose at the shareholders' general meeting or employee representatives' meeting (as the case may be) to replace him/her. Subject to the securities regulatory rules of the place where the Company's shares are listed, the aforesaid persons may attend or take part in the meeting by internet, video, telephone or other means with equivalent effect.

Article 99 A director may resign before expiry of his/her term of office, provided that a written resignation report in respect of his/her resignation shall be submitted to the Company, and the resignation shall take effect on the date of receipt of the resignation report by the Company. The Company shall disclose the relevant information within two (2) business days.

Where the resignation of a director causes the number of Board members to be less than the quorum, such director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association before the reelected director take office.

Article 100 When a director's resignation takes effect or his/her term of office expires, the director shall complete all transfer procedures with the Board of Directors. His/her duties of loyalty towards the Company and the shareholders do not necessarily cease after the termination of his/her term of office and shall still be in effect for a reasonable period stipulated by the Articles of Association. His/her responsibilities arising from the execution of duties during his/her term of office shall not be exempted or terminated due to resignation. Such duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between occurrence of the event concerned and termination of term of office and the circumstances and terms under which his/her relationship with the Company has been terminated. The duty of confidentiality with respect to trade secrets of the Company survives after the termination of his/her term of office until such trade secrets become public known. Other duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between occurrence of the event concerned and termination of term of office and the circumstances and terms under which his/her relationship with the Company has been terminated.

Article 101 The shareholders' general meeting may resolve to remove a director, with the removal taking effect on the date the resolution is made.

If a director is removed prior to the expiration of his/her term of office without any reasonable grounds, he/she may request compensation from the Company.

Article 102 No director may act on behalf of the Company or the Board of Directors in his/her own name unless the Articles of Association specifies that he/she may do so or he/she is lawfully authorised to do so by the Board of Directors. A director shall declare his/her position and capacity in advance if, when such director is acting in his/her private capacity, a third party would reasonably assume him/her to be acting on behalf of the Company or the Board of Directors.

Article 103 If a director breaches the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association when performing his/her duties and causes losses to the Company, he/she shall be held responsible for damages.

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

Article 104 The Company shall have independent non-executive directors. Independent non-executive directors shall be independent of the Company and its substantial shareholders. Independent non-executive directors shall not hold any position in the Company other than independent non-executive directors. Independent non-executive directors shall act in accordance with the requirements of laws, administrative regulations, the CSRC and the stock exchange where the Company's shares are listed.

Section 2 Board of Directors

Article 105 The Company shall set up a board of directors. The Board of Directors shall consist of nine (9) directors and have one (1) chairman and one (1) employee representative director.

In any event, the Board of Directors shall have at least three (3) independent non-executive directors and independent non-executive directors shall account for at least one-third (1/3) of the members of the Board of Directors.

Independent non-executive directors are elected for a term of three (3) years each, and may be re-elected. However, the reappointment of independent non-executive directors who have served as such for more than nine (9) years shall be subject to relevant deliberation procedures in accordance with the provisions of the listing rules of the stock exchange where the Company's shares are listed.

Article 106 The Board of Directors shall exercise the following functions and powers:

- (1) to convene shareholders' general meetings and report to the shareholders' general meetings;
- (2) to implement resolutions of the shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;

- (4) to formulate the Company's profit distribution plans and plans on making up losses;
- (5) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and listing;
- (6) to formulate plans for the Company's material acquisition or repurchase of the Company's shares or plans for the merger, division, dissolution or change of corporate form of the Company;
- (7) within the scope of authorisation by the shareholders' general meeting, to make decisions on external investments, assets purchases or sales, assets pledges, external guarantees, entrusted wealth management, related party transactions, external donations etc.;
- (8) to decide on establishment of internal management organs of the Company;
- (9) to decide on the appointment or dismissal of the Company's general manager and secretary to the Board of Directors, company secretary and other senior managers; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior managers according to the nomination of the general manager, and decide on their remunerations;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals to amend the Articles of Association;
- (12) to consider and approve (1) all transactions (including one-off transactions and a series of transactions requiring a combined percentage ratio) where the percentage ratios calculated pursuant to the percentage ratio requirement under Rule 14.07 of the Hong Kong Listing Rules are less than five percent (5%) and the consideration includes the shares to be issued for listing, (2) any disclosable transactions (including one-off transactions and a series of transactions requiring a combined percentage ratio) where the applicable percentage ratios are five percent (5%) or more but all are less than twenty five percent (25%), or (3) any partially exempt connected transactions and non-exempt connected transactions (including one-off transactions and a series of transactions requiring a combined percentage ratio, but excluding any connected transactions exempt from disclosure or announcement under the Hong Kong Listing Rules or approved by the Hong Kong Stock Exchange) where any one of the percentage ratios (other than the profit ratio) calculated pursuant to the percentage ratio requirement under Rule 14.07 of the Hong Kong Listing Rules amounts to 0.1 percent (0.1%) or more but less than five percent (5%);

- (13) to develop the Company's equity incentive scheme;
- (14) to manage information disclosure of the Company;
- (15) to propose to the shareholders' general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (16) to hear the work report of the general manager of the Company and examine his/her work;
- (17) to decide other material matters of the Company other than those matters required to be decided by the shareholders' general meeting in accordance with the Company Law and the Article of Association;
- (18) other functions and powers stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and conferred upon by the Articles of Association and the shareholders' general meeting.

Matters beyond the authorisation by the shareholders' general meetings shall be submitted to the shareholders' general meeting for consideration.

- Article 107** The Board of Directors of the Company shall explain to the shareholders at the shareholders' general meeting when a certified public accountant issues a non-standard audit opinion in respect of the Company's financial reports.
- Article 108** The Board of Directors shall develop the rules of procedure of the Board of Directors in order to execute the resolutions of the shareholders' general meeting, improve the work efficiency and ensure scientific decision-making.
- Article 109** The Board of Directors shall lay down strict procedures to review and decide on the authorisation related to external investments, assets purchases or sales, assets pledges, external guarantees, entrusted wealth management, related party transactions, external donations etc. For major investment projects, the Board of Directors shall organise the relevant experts and professionals to review them and submit the same to the shareholders' general meeting for approval.
- Article 110** The chairman of the Board of Directors shall be elected and removed by more than one-half of all directors. The term of office of the chairman of the Board of Directors shall be three (3) years, renewable upon re-election.

- Article 111** The chairman of the Board of Directors is entitled to the following functions and powers:
- (1) to preside over shareholders' general meetings and to convene and preside over the board meetings;
 - (2) to supervise and check on the implementation of resolutions passed at the meeting of the Board of Directors;
 - (3) to sign securities issued by the Company;
 - (4) to propose convening of an extraordinary board meeting;
 - (5) to exercise other functions and powers conferred by the Board of Directors.
- Article 112** 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 (1) director elected by more than half of all directors may perform his duties.
- Article 113** Board meetings shall be classified into the regular board meetings and extraordinary board meetings.
- At least two (2) regular board meetings shall be convened each year. Board meetings shall be convened by the chairman of the Board of Directors. The meeting notice and meeting documents shall be served on all directors at least fourteen (14) days before the meeting (excluding the day of the meeting). Board meetings shall generally be convened on-site or otherwise in other manners as permitted in accordance with laws and regulations. Whenever it is necessary, the board meetings may be convened through video, telephone, fax, or email after agreement of the convener (the presider) or proposer provided that the directors can fully give their opinions.
- Article 114** More than one tenth (1/10) of the shareholders with voting rights, or one third (1/3) or more of the directors or the audit committee may propose to convene an extraordinary board meeting.
- The chairman of the Board of Directors shall convene and chair the board meeting within ten (10) days after the receipt of the proposal.
- Article 115** The notice of extraordinary board meeting shall be served in writing to all directors and the senior management by hand, mail, e-mail, or facsimile three (3) days before the date of 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 116** A notice of a meeting of the Board of Directors in writing shall include the following particulars:
- (1) the date and venue of the meeting;
 - (2) the period for the meeting;
 - (3) reasons for and matters to be considered;
 - (4) the date of issuance of the notice.
- Article 117** The board meeting may be held only if more than half of the directors (including proxies) attend.
- Each director has one (1) vote. Save as otherwise specified in the Articles of Association, resolutions made by the Board of Directors shall be passed by more than half of all directors.
- In the case of an equality of votes, the chairman of the Board of Directors shall have a (1) casting vote.
- Article 118** Where a director or the enterprises or individuals involved in the subject matter have related relationship with or any of his/her close associates has any interest in the subject matter of the board meeting, related director shall not vote on the aforesaid resolution, or vote on behalf of other directors. The relevant meeting of the Board of Directors may be held when more than half of the uninterested directors attend the meeting, and the resolutions made by the meeting of the Board of Directors shall be passed by more than half of the uninterested directors. If the number of uninterested directors attending the meeting is less than three (3), the relevant proposals shall not be voted and shall be submitted to the shareholders' general meeting for review.
- Article 119** On the premise that the directors are assured to have fully expressed their views at a board meeting, the vote on board resolutions shall be taken by way of voting on a show of hands or of an open ballot or by way of communication at the on-site meeting. The resolution shall be signed by the directors attending the meeting and delivered to the Company by hand, mail, e-mail or facsimile.
- Article 120** Meetings of the Board of Directors shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he/she shall appoint another director in writing to attend the meeting on his/her behalf. Such an instrument of appointment shall specify the names of the proxy, the issues, the scope of the authorization granted by the principal, and the term of validity of the appointment and include the principal's signature or seal. The director attending the meeting on other's behalf shall exercise the rights of a director within the scope of authorization. If a director fails to attend a board meeting or appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.

Article 121 The Board of Directors shall keep minutes of resolutions on matters discussed at relevant meetings (which shall include any concerns raised or dissenting views expressed by the directors). The minutes shall be signed by the directors and the person who recorded the minutes present at such meetings.

The minutes of board meetings shall be kept as archives of the Company for a period of no less than ten (10) years.

Article 122 The minutes of a meeting of the Board of Directors shall include the following particulars:

- (1) the date and venue of the meeting, and the name of the convener;
- (2) the names of the directors attending the board meeting and directors (proxies) appointed by others to attend the board meeting;
- (3) the agenda of the meeting;
- (4) the main points of directors' speeches;
- (5) the method and results of the voting for each proposal (the voting results shall state the number of affirmative and negative votes and number of abstention).

Section 3 Special Committees of the Board of Directors

Article 123 The board of directors of the Company has established the audit committee, which exercises the functions and powers of the Supervisory Committee as stipulated in the Company Law, and shall perform its duties in accordance with the provisions of the Hong Kong Listing Rules and the Working Rules of the Audit Committee of the Board of Directors.

Article 124 The audit committee should comprise three (3) directors who are not serving as senior management of the Company and shall all be independent non-executive directors. The convener shall be an independent non-executive director with professional accounting qualifications. Provisions otherwise provided by the securities regulatory rules of the place where the Company's shares are listed shall prevail.

Article 125 The Board of Directors of the Company shall establish a nomination committee and a remuneration and appraisal committee and other special committees (together with the audit committee, collectively, the "Special Committees"), if necessary. The Special Committees shall perform their duties in accordance with the Articles of Association and the authorisation from the Board of Directors. Their proposals shall be submitted to the Board of Directors for consideration and decision. The members of the Special Committees shall all be directors. The Board of Directors is responsible for formulating the working rules of the Special Committees.

The Special Committees shall not make any resolution on behalf of the Board of Directors; however, subject to the mandatory provisions of the relevant laws, regulations and normative documents of the PRC and the listing rules of the stock exchange of the place where the shares of the Company are listed, they may exercise decision-making power on authorised matters according to the special authorisation of the Board of Directors.

Chapter VI Senior Management Member

Article 126 The Company shall have one (1) general manager, who shall be appointed or removed by the Board of Directors' decision.

According to its need, the Company shall have certain deputy general managers, who shall be appointed or removed by the Board of Directors' decision.

Article 127 The circumstances in which a person shall not be appointed as a director provided by Articles of Association hereof shall be applicable to senior management members.

The duties of loyalty and duty of diligence of a director as stated in the Article of Association shall also be applicable to the senior management members.

Article 128 The term of office of the general manager shall be three (3) years and may be renewed.

Article 129 The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company, and arrange for the implementation of the resolutions of the Board of Directors;
- (2) to arrange for the implementation of the Company's annual business plans and investment plans;
- (3) to propose plans for establishment of the Company's internal management organization;
- (4) to formulate the Company's basic management system;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors appointment or dismissal of deputy general manager and chief financial officer of the Company;
- (7) to decide to appoint or dismiss the management personnel other than those required to be employed or dismissed by the Board of Directors;
- (8) to exercise other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager shall attend as a non-voting participant at board meetings.

Article 130 The general manager shall formulate his/her terms of reference, which shall come into effect upon approval by the Board of Directors.

Article 131 The terms of reference of the general manager shall include the following particulars:

- (1) conditions and procedures for convening the general manager's meeting, and the participants;
- (2) specific duties and functions of the general manager and other senior management members;
- (3) use of funds and assets of the Company, authority for entering into material contracts and the reporting systems of the Board of Directors;
- (4) other matters which the Board of Directors considers necessary.

Article 132 The general manager may resign before expiry of his/her term of office. The procedures and formalities for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.

Article 133 The Company shall have a secretary to the Board of Directors, who shall be responsible for preparing for the shareholders' general meetings and the board meetings, keeping documents and shareholders' data and handling matters relating to information disclosure, etc.

The secretary to the Board of Directors shall comply with the laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the places where the Company's shares are listed and the relevant provisions of the Articles of Association.

Article 134 Senior management members who violate the provisions of laws, administrative regulations, departmental rules, listing rules of the places where the Company's shares are listed or the Articles of Association in performing their duties towards the Company and thereby cause losses to the Company shall be liable for compensation.

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

Article 135 Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders.

If a senior management member of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, thereby causing damage to the interests of the Company and the public shareholders, he/she shall bear the liability of compensation in accordance with law.

Chapter VII Financial and Accounting System, Distribution of Profits and Audit

Section 1 Financial and Accounting System

Article 136 The Company shall establish its financial and accounting system in accordance with the law, administrative regulations, and the listing rules of the place where the shares of the Company are listed and the provisions of relevant departments of the State.

Article 137 The Company discloses its annual report within four (4) months at the end of each accounting year and its interim report within two (2) months at the end of the first half of each accounting year. The Company shall submit, disclose and/or submit annual report, interim report, preliminary results announcement and other documents to shareholders in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Article 138 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 139 When distributing the profits after tax of the year, the Company shall make appropriation of ten percent (10%) of the profits to the statutory reserve of the Company. When the Company's statutory reserve has aggregated to more than fifty percent (50%) of the Company's registered capital, it may no longer make appropriation.

If the Company's statutory reserve is insufficient to make up the losses in the previous years, the profits for the current year shall be used to make up the losses before appropriation to the statutory reserve as required in the preceding paragraph.

After the appropriation to the statutory reserve from the profits after tax, the Company may make appropriations to the discretionary reserve from the profits after tax upon approval by the shareholders' general meeting.

After making up the losses and appropriation to statutory reserve, the remaining profits after tax could be distributed to shareholders according to their shareholdings, except for the distributions not made according to their shareholding as stipulated in the Articles of Association.

If the shareholders' general meeting distributes profit to any shareholder in violation of the Company Law, the profits so distributed shall be returned to the Company. In case of losses caused to the Company, shareholders and responsible directors and senior management members shall be liable for compensation.

The shares held by the Company shall not be included in the distribution of profits.

Article 140 The reserve of the Company shall be used to make up the Company's losses, expand the Company's production and operation, or be converted into additional registered capital of the Company.

To make up for the losses with the reserve, the Company shall first use discretionary reserve and statutory reserve; if the losses still cannot be made up, the capital reserve may be used in accordance with the provisions of the Articles of Association and laws.

When the statutory reserve is converted into an increase in registered capital, the amount remaining in such reserve shall not be less than twenty-five percent (25%) of the registered capital of the Company before the conversion.

Article 141 After the profit distribution plan has been approved by the shareholders' general meeting of the Company, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two (2) months after the conclusion of the shareholders' general meeting.

Article 142 The Company may distribute dividends in cash or shares as follows:

- (1) The principle of profit distribution of the Company: The Company implements the dividend distribution policy which entitles the shareholders to the same rights and same dividends, under which shareholders are entitled to receive dividends and other kinds of distribution of interests based on the number of shares held by them. The Company adopts an active profit distribution policy, which emphasises investors' reasonable investment returns while maintaining continuity and stability. The Company may distribute profits in cash or shares, and the profit distribution shall not exceed the accumulated profit distributable or adversely affect the ability to continue as a going concern. The Board of Directors, the audit committee and the shareholders' general meeting of the Company shall, in the decision-making and discussion process in respect of profit distribution policies, fully consider the opinions of independent non-executive directors and public investors in their respective meetings.
- (2) Overall form of profit distribution of the Company: Dividends shall be distributed in the form of cash, stock or a combination of both. Where the Company is in a position to distribute cash dividends, the Company may consider prioritising the use of cash dividends for profit distribution.
- (3) The specific conditions and proportion of the Company's cash dividends: If the Company achieves profits in the current year and has distributable profits after making up losses according to law, appropriation to statutory reserve and surplus reserve, the Company may consider cash dividends; the Company's profit distribution shall not exceed the range of cumulative distributable profits.

Section 2 Internal Audit

Article 143 The Company has a mechanism for internal auditing, which specifies the leadership system, duties and responsibilities, staffing, financial security, use of audit results and accountability for internal audit.

The internal audit system is implemented upon approval from the Board of Directors.

Article 144 The Company's internal audit department shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

Section 3 Appointment of Accounting Firms

Article 145 The Company shall appoint an accounting firm which is qualified under the Securities Law to conduct accounting statement audit, net asset verification and other related consulting services for a period of one (1) year, which is subject to renewal.

Article 146 The appointment or removal of any accounting firm of the Company is subject to the approval of the shareholders' general meeting, prior to which the Board shall not appoint any accounting firm.

Article 147 The Company shall undertake to provide its accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

Article 148 The audit fee payable to an accounting firm shall be decided by the shareholders' general meeting.

Article 149 When the Company intends to dismiss or not to reappoint an accounting firm, it shall give twenty (20) days prior notice to the accounting firm. When a shareholders' general meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns, it shall state to the shareholders' general meeting whether the Company has improper circumstances.

Chapter VIII Notice and Announcement

Section 1 Notice

- Article 150** The notice of the Company may be served as follows:
- (1) by personal delivery;
 - (2) by post;
 - (3) by announcement;
 - (4) by other means specified in laws, administrative regulations, listing rules of the place where the shares of the Company are listed or the Articles of Association.
- Article 151** Where a notice of the Company is served by announcement, the notice shall be deemed as received by the relevant persons once the notice is announced.
- Article 152** The notice of a shareholders' general meeting of the Company, or other information or other written documents to be issued to shareholders shall be served via means (including but not limited to email, announcement etc.) as permitted by laws, administrative regulations and listing rules of the place where the shares of the Company are listed.
- Notwithstanding the above requirements, shareholders of H shares may also request the Company to deliver the printed version of the above documents by post.
- Article 153** The notice of a meeting of the Board of Directors of the Company shall be served by personal delivery or post or e-mail, telephone or fax or through other written means.
- Article 154** If a notice of the Company is served by personal delivery, the recipient shall affix their signature (or seal) to the acknowledgement slip and the signing date shall be the date of service; if a notice of the Company is served by post, the forty-eighth (48th) hour after handover to the post office shall be the date of service; if a notice of the Company is delivered by fax or E-mail or by posting information on the website, the date of delivery shall be the date of service; if a notice of the Company is served by announcement, the date of first announcement shall be the date of service.
- Article 155** The accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not solely invalidate the meeting and the resolutions adopted at the meeting.

Section 2 Announcement

- Article 156** The Company shall designate the media/websites recognised by the stock exchange where the shares of the Company are listed as the media for publication of the Company's announcements and other required disclosure of information.

Chapter IX Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 157 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

Article 158 Where the price paid for a merger does not exceed ten percent (10%) of the Company's net assets, the merger may be resolved without a shareholders' general meeting, unless otherwise provided for in the Articles of Association.

Where a merger of companies is not resolved by the shareholders' general meeting in accordance with the preceding paragraph, it shall be resolved by the Board of Directors.

Article 159 In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify the creditors within ten (10) days from the date of the resolution of the shareholders' general meeting to merge and publish an announcement in a newspaper recognised by the stock exchange where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within thirty (30) days.

The creditors may require the Company to settle the debts or provide appropriate guarantees within thirty (30) days after receipt of the notice or within forty-five (45) days after the date of the announcement if the creditors have not received the notice.

Article 160 Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

Article 161 In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of assets. The Company shall notify the creditors within ten (10) days from the date of the resolution of the shareholders' general meeting to divide and publish an announcement in a newspaper recognized by the stock exchange where the Company's shares are listed or the National Enterprise Credit Information Publicity System within thirty (30) days.

Article 162 The companies after the division shall be jointly and severally liable for the debts incurred by the Company before its division, unless otherwise agreed in a written agreement in relation to discharge of debts concluded before the division by the Company with its creditors.

Article 163 The Company shall prepare a balance sheet and an inventory of property when it needs to reduce its registered capital.

The Company shall notify the creditors within ten (10) days from the date of the shareholders' general meeting making the resolution to reduce the registered capital, and shall make announcements in a newspaper recognised by the stock exchange where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within thirty (30) days. The creditors may require the Company to settle debts or to provide appropriate guarantees within thirty (30) days after receipt of the notice or within forty-five (45) days after the date of the announcement if the creditors have not received the notice.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' capital contribution or shareholding, unless otherwise stipulated by the Articles of Association or laws.

Article 164 If the Company remains in a loss position after making up for its losses in accordance with the provisions of Paragraph 2 of Article 140 hereof, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital contribution or payment for the shares.

Where the registered capital is reduced in accordance with the preceding paragraph, the second paragraph of the preceding Article shall not apply, but an announcement shall be made in a newspaper recognised by the stock exchange where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within thirty (30) days from the date of the resolution on reduction of registered capital being made at the shareholders' general meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the accumulated amount of the statutory reserve and discretionary reserve reaches fifty percent (50%) of the Company's registered capital.

Article 165 In case of reduction of registered capital in violation of the requirements of the Articles of Association and the laws, the shareholders shall return the funds so received, and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible directors and senior management members shall be held liable for compensation.

Article 166 Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless the Articles of Association provides otherwise or the shareholders' general meeting resolves that the shareholders shall have pre-emptive right.

Article 167 Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the company registry according to laws; where the Company is required to be terminated due to dissolution, adjudged bankruptcy or other legal cause, it shall apply for deregistration of the Company according to laws; where a new company is established, its establishment shall be registered according to laws.

Increase or decrease of the registered capital of the Company shall be registered with the company registry according to law.

Section 2 Dissolution and Liquidation

Article 168 The Company may be dissolved for the following reasons:

- (1) the term of business operation stipulated in the Articles of Association expires or circumstances for dissolution specified in the Articles of Association arise;
- (2) a resolution on dissolution is passed by shareholders at a shareholders' general meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company's business license is revoked or it is ordered to close or to be cancelled according to laws;
- (5) 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 ten percent (10%) or more of the voting rights of the Company may appeal to the people's court for dissolution of the Company.

The Company shall, within ten (10) days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

Article 169 Where the Company is dissolved pursuant to items (1), (2), (4) and (5) of Paragraph 1 of Article 168, it shall be liquidated. The directors shall be the liquidation obligors of the Company, and a liquidation committee shall be established within fifteen (15) days since the event which triggers dissolution has occurred for liquidation.

The liquidation committee shall comprise the directors, unless the Articles of Association provide otherwise or the shareholders' general meeting resolves to elect other person(s).

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

Article 170 Where the Company shall be liquidated in accordance with the provisions of Paragraph 1 of Article 169 of the Articles of Association, and it fails to establish a liquidation committee to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation committee, the interested parties may apply to the people's court for designating relevant persons to form a liquidation committee to carry out liquidation. The people's court shall accept the application and timely organize a liquidation committee to carry out liquidation.

Where the Company is dissolved in accordance with the provisions of item (4) of Paragraph 1 of Article 168 of the Articles of Association, the department or the company registration authority that made the decision to revoke the business license, order closure or revocation may apply to the people's court for designating relevant persons to form a liquidation committee to carry out liquidation.

Article 171 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify creditors by notice or public announcements;
- (3) to deal with and settle any outstanding businesses of the Company;
- (4) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle claims and debts;
- (6) to allocate the remaining assets of the Company after the repayment of debts; and
- (7) to represent the Company in any civil proceedings.

Article 172 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and publish announcements in newspapers recognized by the stock exchange where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within sixty (60) days. The creditors shall declare their claims to the liquidation committee within thirty (30) days from the date when it receives the above notice or within forty-five (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 173 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 present it to the shareholders' general meeting or to the people's court for confirmation.

The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company remains continuing but can not commence any business activities unrelated to the liquidation.

The Company's assets shall not be distributed to the shareholders before repayment of its debts in full in accordance with the preceding paragraph.

Article 174 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 its debts in full, the liquidation committee shall immediately apply to the people's court for bankruptcy liquidation.

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

Article 175 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and a statement of the income and expenses and financial accounts for the liquidation period which shall be submitted to the shareholders' general meeting or the people's court for confirmation after being verified by a certified public accountant in the PRC. The liquidation committee shall within thirty (30) days after the confirmation by the shareholders' general meeting or the people's court, submit the foregoing documents to the Company's registration authority and apply for deregistration of the Company.

Article 176 The members of the liquidation committee shall perform their duties of liquidation and carry out their duties of loyalty and diligence.

The members of the liquidation committee shall be liable for compensation of the losses caused to the Company by their negligence in performing their liquidation duties. Where any member of the liquidation committee causes any loss to the creditors due to will or gross negligence, such member shall be liable for compensation.

Article 177 Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to the laws on bankruptcy of enterprises.

Chapter X Amendments to the Articles of Association

Article 178 The Company will amend the Articles of Association in any of the following circumstances:

- (1) after amendments are made to the Company Law or other relevant laws, administrative regulations and the rules of the place where the shares of the Company are listed, the Articles of Association run counter to the said amendments;
- (2) the conditions of the Company have changed, and such change is not covered in the Articles of Association;
- (3) the shareholders' general meeting has resolved to amend the Articles of Association.

Article 179 Any amendment to the Articles of Association passed by resolution at the shareholders' general meeting shall be submitted to the competent authorities for approval where necessary. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

The registered particulars of the Company shall not be used against a bona fide counterparty if it has not been registered or the change thereof has not been registered.

Article 180 The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' general meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

Article 181 Where the amendments to the Articles of Association involve matters requiring disclosure under laws, regulations and the listing rules of the place where the shares of the Company are listed, the amendments shall be announced as required.

Chapter XI Supplementary Provisions

- Article 182** (I) “Controlling shareholder” refers to a person that satisfies any of the following conditions:
- (1) any person acting on his own or in concert with other parties has the power to elect more than half of the directors;
 - (2) any person acting on his own or in concert with other parties has the power to exercise or control the exercise of thirty percent (30%) or more of the voting rights of the Company;
 - (3) any person acting on his own or in concert with other parties holds thirty percent (30%) or more of the outstanding shares of the Company;
 - (4) any person acting on his own or in concert with other parties has actual control over the Company in any other manner;
 - (5) other persons as stipulated by relevant laws, administrative regulations or the listing rules of the place where the Company’s shares are listed.
- (II) De facto controller refers to a natural person, a legal person or other organization who can effectively control the activities of Company through investment, agreement or other arrangements.
- (III) Related relationship refers to relationship between a controlling shareholder, de facto controller, director or the senior management members of the Company and the enterprise directly or indirectly controlled by the same, as well as other relationships that may give rise to transfer of interests of the Company, provided however that state-controlled enterprises shall not be deemed as related parties solely because they are under the common control of the state.
- Article 183** The Board of Directors may formulate detailed rules for the Articles of Association pursuant to the provisions of the Articles of Association. The detailed rules for the Articles of Association shall not contradict the provisions of the Articles of Association.
- Article 184** The Articles of Association are written in Chinese. In the event of any discrepancy between the Articles of Association in any other language or version and the Articles of Association, the Chinese version of the Articles of Association latest approved by and registered with the company registry shall prevail.
- Article 185** The terms “above” and “within” referred to in the Articles of Association shall include the numeral referred thereto; the terms “over”, “other than”, “beyond”, “less than”, “more than” shall exclude the numeral referred thereto.

- Article 186** The Board of Directors shall be responsible for the interpretation of the Articles of Association.
- Article 187** Annexes to the Articles of Association shall include the Rules of Procedure for the Shareholders' General Meetings and the Rules of Procedure for the Board of Directors.
- Article 188** Matters not covered in the Articles of Association shall be handled in accordance with the laws, administrative regulations and the relevant provisions of the securities governing authority of the region where the Company's shares are listed in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities, provisions of other regulatory documents and the listing rules of the stock exchange where the Company's shares are listed promulgated from time to time, such laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities and provisions of other regulatory documents and the listing rules of the stock exchange where the Company's shares are listed shall prevail.