

Nongfu Spring Co., Ltd.

Articles of Association

May 19, 2026

(The Articles of Association were prepared in Chinese. The English translation is not an official version and is for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail.)

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CHAPTER I GENERAL RULES

Article 1 For purposes of maintaining the lawful rights and interests of Nongfu Spring Co., Ltd. (hereinafter referred to as the “Company”), shareholders, employees and creditors and regulating the organization and conduct of the Company, the articles of association of the Company (hereinafter referred to as the “Articles of Association”) are developed in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines on the Bylaws of Listed Companies (hereinafter referred to as the “Guidelines on the Bylaws”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant provisions.

The Company is a joint stock company formed in accordance with the Company Law and other relevant provisions. The Company was established by way of promotion on June 27, 2001, as approved by the Leading Group of the Zhejiang Provincial People’s Government for Enterprise Listing with the “the Approval for the Change of Establishment of Nongfu Spring Co., Ltd.” (Zheshangshi[2001]No.33). The Company was registered with the Administration for Industry and Commerce of Zhejiang Province on June 27, 2001 and obtained a business license of enterprise legal person with the registration number 3300001007965. The current registration authority for the Company is the Administration for Industry and Commerce of Zhejiang Province. The unified social credit code of the Company is 91330000143995391Q.

The promoters of the Company include Yangshengtang Co., Ltd., Hainan Baoyi Agricultural Products Processing Co., Ltd. (海南寶益農副產品加工有限公司), Hainan Yangpu Bochuang Investment Management Co., Ltd. (海南洋浦博創投資管理有限公司), Shanghai New Century High Technology Services Ltd. and Hainan Damen Advertising Co., Ltd. (海南大門廣告有限公司).

Article 2 The Company’s initial public offering of 388,231,800 overseas listed foreign ordinary shares (H shares) to the foreign investors was approved by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on July 24, 2020 and approved by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) on September 7, 2020, and the shares have been listed on the Main Board of the Stock Exchange of Hong Kong since September 8, 2020 with a par value of RMB0.1 per share; and the Company over-allocated 58,234,600 ordinary H shares, and the shares have been listed on the Main Board of the Stock Exchange of Hong Kong since September 30, 2020 with a par value of RMB0.1 per share.

Article 3 The Company’s registered name:

Chinese full name: 農夫山泉股份有限公司

English full name: Nongfu Spring Co., Ltd.

Article 4 Place of domicile of the Company: Geyazhuang Road 181, Xihu District, Hangzhou; Postal code: 310024.

Article 5 The director handling corporate affairs on behalf of the Company is the legal representative of the Company and shall be elected by the Board of Directors of the Company.

Where the director serving as the legal representative resigns, the director is deemed to have concurrently resigned from the office of the legal representative. Where the legal representative resigns, the Company shall determine a new legal representative within 30 days of resignation of the legal representative. The election and change of the Company's legal representative shall be adopted by an affirmative vote from more than half of all the directors.

Article 6 The legal consequences of civil activities performed by the legal representative of the Company in the name of the Company shall be assumed by the Company. Any restriction on the power of the legal representative imposed by the Articles of Association or the shareholders' meeting shall not be set up against a bona fide opposite party. Where the legal representative causes any harm to any other person for execution of his or her functions, the Company shall assume civil liability for such harm. The Company may, after assuming civil liability, recover loss from the legal representative at fault in accordance with laws or the Articles of Association.

Article 7 The Company is a joint stock company with limited liability in perpetual existence and an independent legal entity. The Company is governed and protected by the laws, administrative regulations and other relevant requirements of the PRC.

Article 8 The liability of a shareholder towards the Company is limited to the shares he/she subscribed, while the liability of the Company to its indebtedness is limited to the amount of all the assets owned by it.

Article 9 From the effective date of the Articles of Association, the Articles of Association are legally binding documents to regulate the organization and conduct of the Company and the relations of rights and obligations between the Company and shareholders and between shareholders, and are legally binding documents upon the Company and shareholders of the Company, directors, senior management members, all of whom may assert rights in respect of the Company's affairs in accordance with the Articles of Association.

A shareholder may take legal actions against the Company while the Company may take legal actions against its shareholders, directors and senior management members pursuant to the Articles of Association. A shareholder may also take actions against another shareholder, the directors and senior management members of the Company pursuant to the Articles of Association.

Article 10 The senior management members referred to in the Articles of Association include the Company's general manager, head of the finance team, secretary to the Board and other personnel prescribed in the Articles of Association.

CHAPTER II BUSINESS OBJECTIVES AND SCOPE

Article 11 The business objective of the Company is: to be a modern enterprise which provides new types of services and products to meet the new demands of customers in the process of improving their lives; to establish the leading position of Nongfu Spring brand through continuous competition and improvement in operation and innovation, and to reward its investors by achieving high profitability in the industry.

Article 12 The business scope of the Company shall be subject to the items approved by the Company registration authority.

As legally registered, the scope of business of the Company: production and sales of natural water, beverages and packaging bottles (for branches only); sales of food (subject to licenses), articles of daily use and textiles; procurement and sales of fruits and vegetables; delivery service; technological development, technical consultation, and technical services of food and bioengineering; industrial investment, import and export business, information technology services, freight forwarding, warehousing services (except for hazardous products); sales, lease, installation, maintenance and operation management of mechanical equipment and vending machines; after-sales services and relevant technical consulting and technology promotion services; corporate marketing planning and relevant consulting services; design, produce, and publish various domestic advertisements; property rentals, sales and management (subject to licenses); property information consulting services, catering services (subject to licenses), water and electricity installation and maintenance, management of swimming pools (subject to licenses), sports venues and hotels.

CHAPTER III SHARES

Section 1 Issue of Shares

Article 13 Shares of the Company are in the form of share certificates. All shares issued by the Company are shares with par value, which shall have a par value of RMB0.1 per share. RMB mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.

Article 14 The Company shall issue shares in an open, fair, and just principle, and each share of the same class shall have equal rights.

The issuing conditions and price for each share of the same class issued at the same time shall be the same and each share subscribed for by any entity or individual shall be subscribed at the same price.

The ordinary shares issued by the Company comprise domestic shares and overseas listed shares (H shares), and the domestic shares and overseas listed shares shall have the same rights in any distribution of dividends (including cash and in-kind distributions) or other forms of distributions.

Article 15 The domestic shares issued by the Company shall be centrally deposited at domestic securities registration and clearing organisations that comply with the relevant requirements. The

overseas listed shares issued by the Company are mainly held in custody at securities registration and clearing organisations in Hong Kong, and may also be held by shareholders in their personal capacity.

Upon filed with the CSRC and consent of the Stock Exchange, all or part of the company's domestic shares can be converted into overseas listed shares, and the converted overseas listed shares can be listed and traded on overseas stock exchanges. The converted shares should also comply with the regulatory procedures, regulations, and requirements of the overseas securities market.

Where non-listed domestic shares to be converted into overseas listed shares and traded on overseas stock exchanges, voting at the shareholders' meeting is not required.

Article 16 Upon approval by the company licensing authority authorized by the State Council, the total number of ordinary shares that the Company issued on the date of its formation by promotion is 147,000,000 shares, the capital contribution is in the form of net assets and the capital contribution is made on April 28, 2001. At the time of the change of organization form of the Company from limited liability company into joint stock company, the par value of shares was RMB1 each. Details of names of the Promoter and the percentages are as follows:

No.	Name of Promoter	Shareholding (‘0,000 shares)	Percentage
1	Yangshengtang Co., Ltd.	9,030	61.43%
2	Hainan Baoyi Agricultural Products Processing Co., Ltd. (海南寶益農副產品加工有限公司)	3,412.5	23.21%
3	Hainan Yangpu Bochuang Investment Management Co., Ltd. (海南洋浦博創投資管理有限公司)	1,470	10%
4	Shanghai New Century High Technology Services Ltd.	735	5%
5	Hainan Damen Advertising Co., Ltd. (海南大門廣告有限公司)	52.5	0.36%
	Total	14,700	100%

Article 17 In 2020, subject to the approval by CSRC, the Company may issue up to 1,380,000,000 overseas listed foreign shares, all being common shares with par value of RMB0.1 each.

As approved by the CSRC, Yangshengtang Co., Ltd. converts 1,303,252,410 non-listed domestic shares held by it in the Company into overseas listed shares (H shares), meanwhile, all shareholders other than Yangshengtang Co., Ltd. convert non-listed domestic shares held by them in the Company into overseas listed shares (H shares).

Upon the completion of the issuance of the above overseas listed foreign shares (after the exercise of the over-allotment option) and the conversion of non-listed domestic shares into overseas listed shares (H shares), the total shares of the Company are 11,246,466,400, all of which are ordinary shares. The capital structure of the Company is as follows: 6,211,800,000 shares are held by domestic shareholders, accounting for 55.23% of the total ordinary shares; and 5,034,666,400 shares are held by H-shareholders, accounting for 44.77% of the total ordinary shares. Including 6,211,800,000 domestic shares and 1,303,252,410 overseas listed shares converted from domestic shares, which are held by Yangshengtang Co., Ltd., the promoter; and 3,731,413,990 overseas listed shares (including 3,284,947,590 overseas listed shares converted from domestic shares) held by other shareholders. The H-shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Article 18 The Company's registered capital is RMB 1,124,646,640.

Article 19 The Company or its subsidiary companies (including enterprises affiliated to it) shall not, in the form of grants, advances, guarantees, borrowings and other forms, provide financial aid for others to acquire shares of the Company or its parent company, except for the implementation of employee stock ownership plans of the Company.

The Company may, in the interest of the Company, provide financial assistance for others to acquire shares of the Company or the parent company of the Company by a resolution of the shareholders' meeting or a resolution of the Board of Directors adopted as authorized by the Articles of Association or the shareholders' meeting, but the cumulative total of financial assistance shall not exceed 10% of the total issued share capital. The resolution of the Board of Directors shall be adopted by two-thirds or more of all the directors.

If the Company or its subsidiaries (including enterprises affiliated to it) has conducted this act, it shall comply with laws, administrative regulations, and the rules of the CSRC and the Stock Exchange where the Company's shares are listed.

Section 2 Increase, Decrease and Repurchase of Shares

Article 20 Pursuant to the requirement of the law, regulation, and the listing rules of the place where the Company's shares are listed, the Company may, subject to its business operation and development requirements, approve an increase in its capital in accordance with the relevant provisions of the Articles of Association upon separate resolution by the shareholders' meeting.

The Company may increase its capital by the following means:

- (I) public offering of shares;
- (II) non-public offering of shares;
- (III) issue of stock dividends to existing shareholders;

(IV) capitalization of capital reserve fund;

(V) other methods permitted by laws and administrative regulations and approved by the CSRC and the Stock Exchange.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval under the Articles of Association and the listing rules of the place where the Company's shares are listed, and completion of the relevant procedures as prescribed by the relevant laws, administrative regulations of the PRC and the listing rules of the place where the Company's shares are listed.

Article 21 The Company may reduce its registered capital. Where the Company reduces its registered capital, procedures shall be made in accordance with the Company Law and other relevant requirements and the Articles of Association.

Article 22 The company shall not purchase its own shares, except under any of the following circumstances:

(I) reduces the Company's registered capital;

(II) merging with other company which holds its shares;

(III) using shares for employee stock ownership plans or equity incentives;

(IV) requesting the Company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' meeting on the merger or separation of the Company;

(V) utilizing shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(VI) manner as necessary for maintenance of the Company's value and shareholders' interests.

Article 23 The Company may purchase its shares in the manner of centralized public trading, or other methods approved by laws, and administrative regulations and the CSRC and the Stock Exchange.

Where the Company purchases its shares under the circumstance set forth in items (III), (V) or (VI), paragraph 1 of Article 22 of the Articles of Association, it shall conduct trading in the manner of centralized public trading.

Article 24 Where the Company purchases its shares for the purposes of items (I) and (II), paragraph 1 of Article 22 of the Articles of Association, it shall obtain approval at the shareholders' meeting by way of resolution. Where the Company purchases its shares for the purposes of items (III), (V) or (VI), paragraph 1 of Article 22 of the Articles of Association, it shall obtain approval of more than two-thirds of the directors present at the board of directors of the Company (hereinafter referred

to as the “Board”) meeting by way of resolution as stipulated in the Articles of Association or authorized by the shareholders’ meeting.

After the Company purchases its shares pursuant to paragraph 1 of Article 22 of the Articles of Association, it shall, under the circumstance as mentioned in item (I), cancel such shares within 10 days from the date of acquisition; while under either circumstance as mentioned in items (II) and (IV), transfer or cancel such shares within six months; while under any of the circumstances as mentioned in items (III), (V) or (VI), the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue and the Company shall transfer or cancel such shares within three years.

After purchasing its shares, the Company shall fulfil its information disclosure obligations in accordance with the relevant provisions of laws, administrative regulations, rules and regulations, regulatory documents and the Hong Kong Listing Rules. Where the relevant regulatory rules of the places where the Company’s shares are listed provide otherwise in respect of matters relating to share repurchases, such provisions shall apply accordingly.

Section 3 Transfer of Shares

Article 25 The shares of the Company shall be transferred according to the law.

Article 26 The Company shall not accept the shares of the Company as the subject matter of pledge.

Article 27 Shares previously issued by the Company prior to the public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange. Where laws, administrative regulations or the securities regulatory authorities of the State Council make other provisions on the transfer of shares held by shareholders or actual controllers of a company, such provisions shall apply.

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 as determined at the time of taking the office more than 25% of the total number of shares of the same class of the Company which they hold; the shares of the Company held by them shall not be transferred within one 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 leaving the Company. Where there are other provisions in laws, administrative regulations or rules of the CSRC and relevant regulatory rules for the listing venue of the Company’s shares regarding the restrictions on the transfer of the Company shares, such provisions shall also be complied with.

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS’ MEETING

Section 1 Shareholders

Article 28 The Company establishes a register of shareholders in accordance with certificates from the share registrar, and the shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company. Shareholders shall have rights and obligations according to the class of shares held by them; and shareholders holding the same class of shares shall have the same rights and obligations.

Article 29 When the Company convenes a shareholders' meeting, distributes dividends, commences liquidation, or participates in other activities requiring the identification of shareholders, the convener of the Board or the convener of the shareholders' meeting shall decide the record date. The shareholders whose names appear on the register of shareholders after the market is closed on the record date shall be entitled to the relevant rights.

Article 30 If a holder of overseas listed shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the laws, regulations, the rules of the stock exchange or other relevant requirements of the place where the original register of shareholders of overseas listed shares is maintained.

Article 31 The shareholders of the Company shall enjoy the following rights:

(I) the right to receive dividends and other profit distributions in proportion to their shareholdings;

(II) the right to request to hold, convene, preside, attend or appoint proxies to attend shareholders' meeting lawfully and to exercise the corresponding voting rights;

(III) the right to supervise the operation of the Company, to present proposals or to raise enquires;

(IV) the right to transfer, gift or pledge shares in accordance with laws, administrative regulations, the listing rules of the place where the shares are listed and provisions of the Articles of Association;

(V) the right to consult and copy the Articles of Association, the register of shareholders, minutes of shareholders' meeting, the minutes of the meetings of the Board, and the financial accounting reports of the Company. Shareholders holding alone or shareholders holding in aggregate 3% or more of the shares of the Company for 180 or more consecutive days can consult the account books and accounting vouchers of the Company; Where a shareholder requests consultation or copying of the relevant materials of a wholly-owned subsidiary of the Company, the preceding provisions of this paragraph apply;

(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;

(VII) with respect to shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

(VIII) other rights under laws, administrative regulations, departmental rules the listing rules of the place where the Company's shares are listed or the Articles of Association.

Article 32 To consult or copy the relevant information and materials as mentioned in the preceding article, a shareholder shall provide the Company with written documents proving the class and number of shares of the Company held by it, and the Company shall provide the information or materials as requested after verifying the shareholder's identity, as well as complying the provisions of the Company Law, the Securities Law, other laws and administrative regulations and the relevant regulatory rules of the Company's stock listing venue.

Article 33 Where the contents of a resolution of the shareholders' meeting or a meeting of the Board violate any law or administrative regulation, shareholders shall have the right to request the people's court to hold it void.

Where the convening procedure or voting method of the shareholders' meeting or the meeting of the Board violates any law or administrative regulation or Articles of Association, or the contents of a resolution thereof violate the Articles of Association, shareholders shall have the right to, within 60 days after the resolution is made, request the people's court to revoke the resolution; A shareholder who was not notified to attend a shareholders' meeting may, within sixty days from the date he or she knew or should have known of the adoption of the shareholders' resolution, request the people's court to revoke the resolution; and if the shareholder fails to exercise the right of revocation within one year of adoption of the resolution, the right of revocation is extinguished. However, the exceptions are when there is only a minor defect in the procedures for convening the shareholders' meeting or the Board or in the manner of voting, which does not materially affect the resolution.

Where the Board of Directors, shareholders and other relevant parties have disputes over the validity of the resolutions of the shareholders' meeting, they shall institute an action with the people's court in a timely manner. Before the people's court renders a judgment or ruling such as cancellation resolution, the relevant party shall implement the resolution of the shareholders' meeting. The Company, its directors and senior management shall diligently perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where the correction of previous matters is involved, the corresponding information disclosure obligations shall be handled and fulfilled in a timely manner.

Article 34 Under any of the following circumstances, a resolution of the shareholders' meeting or the Board of Directors of the Company shall not be effective:

(I) a resolution is adopted without holding a shareholders' meeting or a meeting of the Board of Directors;

(II) the matters to be resolved are not voted on at a shareholders' meeting or a meeting of the Board of Directors;

(III) the number of persons present at a meeting or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in [Company Law](#) or the Articles of Association;

(IV) the number of persons voting for the matters to be resolved or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the [Company Law](#) or the Articles of Association.

Article 35 Where a director other than the member of the Audit Committee or a senior management member violates any law or administrative regulation or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, a shareholder holding or the shareholders aggregately holding 1% or more of the shares of the Company for 180 consecutive days or more shall have the right to request the Audit Committee in writing to institute an action in the people's court. Where a member of the Audit Committee violates any law or administrative regulation or the Articles of Association in performing its duties in the Company, causing losses to the Company, the aforesaid shareholders may request the Board in writing to institute an action in the people's court.

Where the Audit Committee or the Board refuses to institute an action after receiving a written request from shareholders as mentioned in the preceding paragraph or fails to institute an action within 30 days after receiving the written request, or under urgent situations, a failure to immediately institute an action will result in irreparable damage to the interests of the Company, the shareholder or shareholders as mentioned in the preceding paragraph shall have the right to directly institute an action in the people's court in the name of the shareholder or shareholders for the sake of the Company.

Where any other person infringes upon the lawful rights and interests of the Company, causing losses to the Company, the shareholder or shareholders as mentioned in paragraph 1 of this article may institute an action in the people's court under the preceding two paragraphs.

Where a director, supervisor, or senior management of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the provisions of the Articles of Association in execution of his or her duties, causing losses to the Company, or where any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company, causing losses, a shareholder holding alone or shareholders holding in aggregate 1% or more of the shares of the Company for more than 180 consecutive days may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the supervisory committee or the board of directors of a wholly-owned subsidiary to institute an action in a people's court, or directly institute an action in a people's court in the name of the shareholder or shareholders. Where a wholly-owned

subsidiary of the Company dispenses with a supervisory committee or supervisors, but sets up an audit committee, the provisions of paragraphs 1 and 2 of this article apply.

Article 36 Where a director or a senior management member violates any law or administrative regulation or the Articles of Association, causing damage to the interests of any shareholder, the shareholder may institute an action in the people's court.

Article 37 The shareholders of the Company shall have the following obligations:

- (I) to comply with the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to make capital contribution for the shares subscribed for in the prescribed method of subscription;
- (III) not to withdraw contributions for shares, except as permitted by any law or regulation;
- (IV) not to abuse their rights as shareholders to jeopardize the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person; and not to abuse the limited liability of shareholders to jeopardize the interests of any creditors of the Company;
- (V) to fulfill other obligations as stipulated by the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 38 Any shareholder causing losses to the Company or other shareholders by abusing a shareholder's rights shall assume compensatory liability according to the law. Any shareholder causes serious damage to the interests of creditors of the Company by abusing the Company's independent corporate status and a shareholder's limited liability to evade debts shall be jointly and severally liable for the debts of the Company.

Section 2 Controlling Shareholder or Actual Controller

Article 39 The controlling shareholder or actual controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the relevant regulatory rules of the Company's stock listing venue, and safeguard the interests of the listed company.

Article 40 The controlling shareholder or actual controller of the Company shall abide by the following provisions:

- (I) they shall exercise shareholders' rights in accordance with the law, without abusing control rights or using affiliation to damage the lawful rights and interests of the Company or other shareholders;

(II) they shall strictly fulfill the public statements and all commitments made, without making any unauthorized change or exemption;

(III) they shall strictly fulfill the obligation of information disclosure in accordance with relevant regulations, actively and proactively cooperate with the Company in effectively completing the information disclosure work, and notify the Company of major events that have occurred or will occur in a timely manner;

(IV) they shall not occupy company funds in any way;

(V) they shall not force, instruct or require the Company and relevant personnel to provide guarantee in violation of laws and regulations;

(VI) they shall not seek personal gain by taking advantage of the Company's undisclosed major information, disclose any undisclosed major information related to the Company in any way, or carry out activities in violation of laws and regulations such as insider trading, short-term trading, and market manipulation;

(VII) they shall not infringe upon the lawful rights and interests of the Company and other shareholders by any means such as non-fair affiliated transactions, profit distribution, asset reorganization, and external investment;

(VIII) they shall guarantee the Company's integrity of assets, and independence of personnel, finance, institutions and business, without affecting the Company's independence in any way;

(IX) laws, administrative regulations, rules of the CSRC, business rules of the stock exchanges at the Company's stock listing venue and other provisions of the Articles of Association.

Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually handles the Company's affairs, the provisions of the Articles of Association regarding the duty of loyalty and diligence of directors shall apply.

Where the controlling shareholder or actual controller of the Company instructs directors or senior management to conduct acts that harm interests of the Company or shareholders, they shall assume joint and several liability with such directors or senior management.

Article 41 A controlling shareholder or actual controller pledging the Company's stocks held or actually controlled by him or her shall maintain control over the Company and the stability of the Company's production and operation.

Article 42 Where a controlling shareholder or actual controller transfers the Company's shares held by him or her, it shall abide by the restrictive provisions on share transfer as stipulated by laws, administrative regulations, the CSRC and the stock exchange, as well as the commitments made regarding the restricted share transfer (if any).

Section 3 General Provisions on the Shareholders' Meeting

Article 43 The shareholders' meeting is the organ of authority of the Company, which shall be composed of all shareholders and exercises the following powers in accordance with laws:

(I) to elect or replace the non-employee representative directors and to decide on matters relating to the remuneration of such directors;

(II) to consider and approve reports of the Board;

(III) to consider and approve the Company's profit distribution plans and loss recovery plans;

(IV) to decide on any increase or reduction of the Company's registered capital;

(V) to decide on the Company's issuance of bonds;

(VI) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;

(VII) to decide on the engagement, dismissal of accounting firms undertaking the Company's audit business;

(VIII) to amend the Articles of Association;

(IX) to deliberate and approve the guarantee matters as mentioned in Article 44 of the Articles of Association;

(X) to consider and approve matters relating to the purchases, disposals of material assets, which are more than 30% of the latest audited total assets, within one year;

(XI) to examine the transactions of which the percentage is not lower than 25% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) and all the related transactions of which the percentage is not lower than 5% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) with percentage rates of not less than 25% and 5% respectively in accordance with Rule 14.07 of the Hong Kong Listing Rules;

(XII) to deliberate and approve matters concerning the changes of uses of the proceed raised;

(XIII) to review the equity incentive plans and employee stock ownership plans;

(XIV) to consider other matters required to be resolved by the shareholders' meeting pursuant to laws, regulations, the rules of securities regulatory authorities in the place where the Company's shares are listed and the Articles of Association.

“Within one year” refers to “within one financial year”.

The shareholders’ meeting may authorize the Board of Directors to adopt a resolution regarding an offering of corporate bonds.

Article 44 Under the following circumstances, the external guarantees of the Company must be deliberated and adopted at the shareholders’ meeting:

(I) guarantees provided after the total amount of external guarantees provided by the Company and its controlled subsidiary companies exceeds 50% of the Company’s audited consolidated net assets of the last period;

(II) guarantees provided after the total amount of external guarantees provided by the Company exceeds 30% of the Company’s audited consolidated total assets of the last period;

(III) according to the principle of cumulative calculation of the guarantee amount within twelve consecutive months, guarantees provided by the Company within one year exceed 30% of the Company’s audited consolidated total assets of the last period;

(IV) guarantees provided by the Company for a party whose liability-asset ratio exceeds 70%;

(V) a single guarantee provided by the Company which exceeds 10% of the Company’s audited consolidated net assets of the last period;

(VI) guarantees provided by the Company for shareholders, the actual controller, and the affiliates thereof;

(VII) other external guarantees that meet the requirements of laws, regulations, regulatory documents and the listing rules of the places where the Company’s shares are listed, which are subject to the consideration and approval of the shareholders’ meeting before they can be put into effect.

When the shareholders’ meeting deliberate on the guarantees mentioned in item (III) above of this Article, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the Company provides guarantees for a wholly-owned subsidiary or provides guarantees for a controlling subsidiary and the other shareholders of the controlling subsidiary provide guarantees in the same proportion according to the interests enjoyed by them, which is not detrimental to the interests of the Company, the Company may waive the application of the provisions of items (I), (IV) and (V) above of this Article, unless otherwise provided by laws, regulations, the listing rules of the places where the Company’s shares are listed and the Articles of Association.

Directors and senior management members who have acted in violation of laws, administrative regulations or the provisions of the Articles of Association relating to the approval authority and

deliberation procedures in respect of matters of external guarantees, and have caused losses to the Company, shall be liable for compensation and the Company may institute legal proceedings against them in accordance with the law.

Article 45 Where the company provides guarantee for the shareholders or actual controllers of the company, the resolution shall be passed by the shareholders' meeting.

When the shareholders' meeting is deliberating the proposal to provide guarantee for the shareholder or the actual controller, the shareholder or the shareholder controlled by the actual controller shall not participate in the voting of the matters specified in the preceding paragraph. The vote shall be adopted by more than half of the voting rights held by other shareholders present at the meeting.

Article 46 Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with any person (other than a director, and senior management members) in relation to handover of the administration of all business or the important business of the Company to that person without the pre-approval of the shareholders' meeting.

Article 47 The shareholders' meeting consist of annual shareholders' meeting and extraordinary shareholders' meeting. The shareholders' meeting shall be convened by the Board. The annual shareholders' meeting shall hold once every year within six months from the end of the preceding financial year.

Article 48 The Company shall convene an extraordinary shareholders' meeting within two months upon the occurrence of any of the following events:

- (I) when the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (III) at the request of shareholders who individually or collectively hold more than 10% of the Company's shares;
- (IV) when deemed necessary by the Board;
- (V) when proposed by the Audit Committee;
- (VI) when proposed by two or more independent non-executive directors;
- (VII) any other circumstances stipulated by laws, administrative regulations, departmental regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

The shareholding mentioned in subsection (III) is calculated on the date of notice of shareholders' meeting. However, prior to the announcement of the resolutions approved at the shareholders' meeting, the number of the Company's shares individually or jointly held by the shareholders mentioned in subsection (III) shall not be lower than 10% of the total number of the Company's shares with voting rights; should the shareholding is less than 10%, resolutions passed at the extraordinary shareholders' meeting would become invalid.

Article 49 The Company shall hold its shareholders' meeting either at its domicile or other place designated by the convener of the shareholders' meeting.

A meeting venue will be set up for the shareholders' meeting and meetings shall be held in the form of on-site meeting. The Board of the Company may, according to the specific circumstances and in accordance with the provisions of laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, the listing rules of the places where the Company's shares are listed or the Articles of Association, where applicable, adopt online voting or other voting methods to facilitate the shareholders' participation in the shareholders' meeting. Shareholders who attend the shareholders' meeting in the above-mentioned manner shall be deemed to be present at the meeting.

Section 4 Convening of Shareholders' Meeting

Article 50 The Board of Directors shall convene shareholders' meeting on time within the prescribed time limit.

With the consent of more than half of all independent non-executive directors, independent non-executive directors shall have the right to propose an extraordinary shareholders' meeting to the Board. For such a proposal, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the proposal. If the Board agrees to hold the meeting, it shall issue a notice of holding the shareholders' meeting within five days after a resolution is made at a meeting of the Board; or if the Board disagrees to hold the meeting, it shall explain the reasons and announce it.

Article 51 The Audit Committee shall have the right to propose an extraordinary shareholders' meeting to the Board, but shall propose it in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the proposal.

If the Board agrees to hold the meeting, it shall issue a notice of holding the shareholders' meeting within five days after the Board resolution is made, but any modification to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board disagrees to hold the meeting or no feedback is provided within 10 days after the proposal is received, it shall be deemed that the Board is unable to perform or fails to perform the duty of convening the extraordinary shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own initiative.

Article 52 A shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company shall have the right to file a request for the holding of an extraordinary shareholders' meeting with the Board, but shall request it in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the request.

If the Board agrees to hold the meeting, the Board shall issue a notice of holding the shareholders' meeting within five days after the Board resolution is made, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board disagrees to hold the meeting or no feedback is provided within 10 days after the request is received, the shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company shall have the right to propose the holding of an extraordinary shareholders' meeting to the Audit Committee, but shall request it in writing.

If the Audit Committee agrees to hold the meeting, it shall issue a notice of holding the shareholders' meeting within five days after receiving the request, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of holding the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the shareholders' meeting, and a shareholding holding or shareholders aggregately holding 10% or more of the shares of the Company for 90 consecutive days may convene and preside over the meeting on its or their own initiative.

Article 53 After deciding to convene the shareholders' meeting on its or their own initiative, the Audit Committee or a shareholder or shareholders must notify the Board in writing.

Before the resolution of the shareholders' meeting is announced, the shares held by the convening shareholder or shareholders may not be less than 10%.

Article 54 The Board and the secretary to the Board (the "Board Secretary") shall cooperate with a meeting convened by the Audit Committee or a shareholder or shareholders on its or their own initiative. The Board will provide the register of shareholders at the record date.

Article 55 The expenses needed for the shareholders' meeting convened by the Audit Committee or a shareholder or shareholders on its or their own initiative shall be assumed by the Company.

Section 5 Proposals and Notices for Shareholders' Meeting

Article 56 The contents of a proposal shall be within the scope of functions of the shareholders' meeting, have specific topics for discussion and matters for resolution, and comply with laws, administrative regulations and the Articles of Association.

Article 57 At the shareholders' meeting, the Board, the Audit Committee, and a shareholder holding or shareholders aggregately holding 1% or more of the shares of the Company shall have the right to submit proposals.

When the Company convenes a shareholders' meeting, the shareholders who individually or jointly, hold more than 1% of the total number of voting shares of the Company, have the right to put forward a new proposal in written form to the Company and submit it to the convener not less than 10 days before the shareholders' meeting is held. The convener of the shareholders' meeting shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' meeting, announce the contents of the interim proposal to inform other shareholders and submit the interim proposal to the shareholders' meeting for deliberation, except for an interim proposal that violates a law, an administrative regulation, the Articles of Association and the provisions of the listing rules of the Company's stock listing venue or does not fall under the scope of powers of the shareholders' meeting.

Except under the circumstances in the preceding paragraph, after publishing a notice of holding the shareholders' meeting, the convener may not amend any proposal specified in the notice or add any new proposal.

Any proposal not specified in the notice of holding the shareholders' meeting or not complying with the Articles of Association may not be voted and resolved at the shareholders' meeting.

Article 58 The convener of the annual shareholders' meeting will notify all shareholders by announcement 21 days before the meeting is held. The convener of the extraordinary shareholders' meeting will notify all shareholders by announcement 15 days before the meeting is held. The Company shall not include the day on which the meeting is convened in calculating the starting time limit, but the day on which the notice is given shall be included.

Article 59 A notice of holding the shareholders' meeting shall include the following:

- (I) the time, place and duration of the meeting;
- (II) the matters and proposals submitted to the meeting for deliberation;
- (III) a statement in conspicuous characters that: all common shareholders have the right to attend the shareholders' meeting and may attend the meeting and vote by proxy in writing, and proxies are not necessarily shareholders of the Company;
- (IV) the date of record of shareholders entitled to attend the shareholders' meeting;
- (V) the name and telephone number of the permanent liaison for meeting affairs;
- (VI) voting time and voting procedures by online or other means.

No extraordinary shareholders' meeting shall resolve matters not stipulated in the notice.

Article 60 Where matters concerning the election of directors are to be deliberated at the shareholders' meeting, detailed information on the candidates shall be disclosed in the notice of holding the shareholders' meeting, including at a minimum the following:

(I) personal information, such as educational background, working experience, and part-time jobs, etc;

(II) whether they are connected to the Company or the controlling shareholder or actual controller of the Company;

(III) the numbers of shares of the Company held by them;

(IV) whether they have been punished by the CSRC or any other relevant authorities or disciplined by a stock exchange.

Unless the directors are elected by the cumulative voting system, a single proposal shall be made for each director candidate.

Article 61 After a notice of holding the shareholders' meeting is issued, without good reasons, the shareholders' meeting shall not be postponed or cancelled, and any proposal listed in the notice shall not be cancelled. If any circumstance for postponement or cancellation of the meeting occurs, the convener shall announce it and explain the reasons two working days at a minimum before the original date of holding the shareholders' meeting .

Section 6 Holding of Shareholders' Meeting

Article 62 The Board or any other convener of the Company shall take necessary measures to guarantee the normal order of the shareholders' meeting, take measures to prevent acts of disrupting the shareholders' meeting, provoking troubles, or damaging the lawful rights and interests of shareholders, and promptly report them to the relevant authorities for investigation and punishment.

Article 63 All shareholders registered at the record date or their proxies shall have the right to attend the shareholders' meeting, and exercise voting rights in accordance with the relevant laws and regulations and the Articles of Association.

Shareholders may attend the shareholders' meeting in person or attend and vote at the meeting by proxy. Where a shareholder has a proxy present at a shareholders' meeting, the authorized matters, powers, and duration of the proxy shall be specified, and submit to the corporation a power of attorney issued by the shareholders, and exercise voting rights within the scope of authorization.

Article 64 When personally attending the shareholders' meeting, an individual shareholder shall produce his or her identity card or any other valid identification or certificate that can prove his

or her identity. When he or she attends the meeting by proxy, the proxy shall produce his or her valid identification and a power of attorney issued by the shareholder.

The legal representative of a corporate shareholder shall attend the meeting in person or by proxy. When personally attending the meeting, the legal representative shall produce his or her identity card and a valid certificate on his or her qualification as the legal representative; when he or she attends the meeting by proxy, the proxy shall produce his or her identity card and a written power of attorney legally issued by the legal representative of the corporate shareholder.

Article 65 The power of attorney issued by a shareholder to authorize another person to attend the shareholders' meeting on its behalf shall include the following:

- (I) the name of the principal, and the category and quantity of the Company's shares held;
- (II) the name of the proxy;
- (III) the specific instructions for shareholders, including voting for or against or abstain on each matter to be deliberated as listed on the agenda of the meeting, etc;
- (IV) the date of issuance and validity period of the power of attorney;
- (V) the signature (or seal) of the shareholder. If the shareholder is a corporate shareholder, the seal of the corporate entity shall be affixed to the power of attorney.

Article 66 If the proxy form for voting is signed by a person authorized by the appointor, the powers of attorney or other instruments of authorization shall be notarized. The powers of attorney or other instruments of authorization so notarized shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify at the same time as the proxy form for voting is so deposited.

Article 67 A vote given by the proxy in accordance with the proxy form shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given before the voting, provided that no notice in writing of such matters shall have been received by the Company before the commencement of the meeting.

Article 68 The register of attendees of meeting shall be prepared by the Company. The register shall contain the name or the name of the organization, identity card number of each attendee, the number of voting shares held or represented, and the name or the name of the organization of the shareholder represented, among others.

Article 69 The convener and the lawyer retained by the Company or relevant institutions such as the H share transfer registrars (if any) shall jointly verify the legal eligibility of shareholders based on the register of shareholders provided by the Securities Depository and Clearing Institution, and register the names of shareholders and the numbers of voting shares held by them. The meeting

registration shall be terminated before the presider over the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares held by them.

Article 70 Where the shareholders' meeting requires a director or senior management to observe the meeting, the director or senior management shall observe the meeting, and answer questions from the shareholders.

Article 71 The chairman of the Board shall preside over the shareholders' meeting. Where the chairman of the Board is unable or fails to execute his or her duties, a director jointly recommended by a majority of all directors shall preside over the meeting.

The convener of the Audit Committee shall preside over the shareholders' meeting convened by the Audit Committee on its own initiative. Where the convener of the Audit Committee is unable or fails to execute his or her duties, an Audit Committee member jointly recommended by a majority of all members of the Audit Committee shall preside over the meeting.

Where a shareholder on its own initiative or shareholders on their own initiative convene the shareholders' meeting, the convener or the conveners or the representative recommended by the convener or conveners shall preside over the meeting.

Where the presider violates the rules of procedure during the course of the shareholders' meeting, which makes it impossible for the meeting to continue, upon consent of a majority of the voting shareholders attending the meeting, the meeting may recommend one person as the presider to continue the meeting.

Article 72 The Company shall develop the rules of procedures for shareholders' meeting to detail the procedures for holding and voting at shareholders' meeting, including notices, registration, proposal deliberation, casting and counting of ballots, announcement of voting results, formation of resolutions, meeting minutes and the signing thereof, announcements, principles for the shareholders' meeting to delegate powers to the Board and specific content of authorization. The rules of procedure for shareholders' meeting, as drafted by the Board and approved by the shareholders' meeting, shall be attached to the Articles of Association.

Article 73 At an annual shareholders' meeting, the Board shall report their respective work in the prior year to the shareholders' meeting.

Article 74 Except for those involving the Company's commercial secrets which cannot be disclosed at the shareholders' meeting, directors and senior management members shall respond to inquiries and recommendations from shareholders at the shareholders' meeting by providing explanations or statements.

Article 75 The presider shall, before voting, announce the number of shareholders and proxies attending the meeting and the total number of voting shares held by them, as verified in the meeting registration.

Article 76 The shareholders' meeting shall have meeting minutes, which shall be prepared by the Board Secretary.

The meeting minutes shall record the following:

- (I) the time, place, and agenda of the meeting and the name of the convener;
- (II) the names of the presider and the directors, senior management members attending or observing the meeting;
- (III) the number of shareholders and proxies attending the meeting and the total number of the voting shares held by them and its proportion to the total shares of the Company;
- (IV) the deliberation process, the key points of speeches and the voting results of each proposal;
- (V) the inquiries or recommendations from shareholders and the corresponding replies or statements;
- (VI) the scrutiny organisation (if any) and names of the lawyer and the ballot counter and supervisor;
- (VII) others recorded in the meeting minutes as required by the Articles of Association.

Article 77 The convener shall ensure that the contents of the meeting minutes are true, accurate and complete. The directors, the Board Secretary, and convener or their proxies attending or observing the meeting and the presider of the meeting shall affix their signatures to the meeting minutes. The meeting minutes shall be retained, together with the signature book of shareholders attending the on-site meeting, the powers of attorney for proxies, and the valid documentation on online or other voting, for 10 years or more.

Article 78 Convener shall ensure that the shareholders' meeting is held without interruption until the final resolutions are formed. Where the shareholders' meeting is suspended or no resolution may be made for a force majeure or any other special reason, necessary measures shall be taken to resume the meeting as soon as possible, or the meeting shall be directly terminated, and an announcement or report (if needed) shall be published in a timely manner in accordance with the law, regulations or the listing rules of the places where the Company's shares are listed.

Section 7 Voting and Resolution at Shareholders' Meeting

Article 79 Resolutions of a shareholders' meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of a shareholders' meeting shall be passed by shareholders in attendance (including proxies) holding at least a majority of the voting rights.

Special resolutions of a shareholders' meeting shall be passed by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

Article 80 When matters concerning connected transactions are deliberated at the shareholders' meeting, connected shareholders shall not vote, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

Prior to the consideration of connected transactions at the shareholders' meeting, the Company shall determine the scope of connected shareholders in accordance with the relevant laws and regulations of the State, the listing rules of the places where the Company's shares are listed, and the regulatory requirements of the securities regulatory authorities of the places where the Company's shares are listed. The connected shareholders or their authorised representatives may attend the shareholders' meeting and may explain their views to the shareholders present in accordance with the procedures of the meeting, but shall abstain from voting. When the shareholders' meeting resolves on matters relating to connected transactions, the connected shareholders shall take the initiative to disqualify themselves from voting; if the connected shareholders do not take the initiative to disqualify themselves from voting, the other shareholders attending the meeting shall have the right to request the connected shareholders to disqualify themselves from voting.

After the connected shareholder has recused himself/herself, the other shareholders shall vote in accordance with his/her voting rights and pass the corresponding resolution in accordance with the provisions of the Articles of Association; the presiding officer of the shareholders' meeting shall notify the connected shareholders of the recusal of the connected shareholders and the voting procedures, which shall be recorded in the minutes of the meeting.

To be valid, a resolution on a connected transaction at the shareholders' meeting must be passed by a majority of the voting rights held by the unconnected shareholders present at the shareholders' meeting. However, if the connected transaction involves matters requiring special resolution as provided for in the Articles of Association, the resolution of the shareholders' meeting shall be valid only if it is passed by more than two-thirds of the voting rights held by the unrelated shareholders present at the shareholders' meeting. Where an announcement is involved, the announcement of the resolution of the shareholders' meeting shall fully disclose the voting status of the unrelated shareholders.

Article 81 Shareholders (including their proxies) who vote at a shareholders' meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, the shares held by the Company itself do not have voting rights, and such shares are not included in the total number of shares with voting rights attending the shareholders' meeting.

Article 82 Where applicable laws and regulations or the listing rules of the places where the Company's shares are listed requires any shareholder to abandon his or her voting on specific resolution or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

Article 83 The following matters shall be passed as ordinary resolutions in a shareholders' meeting:

- (I) work reports of the Board;
- (II) profit distribution plans and loss recovery plans proposed by the Board;
- (III) appointment and dismissal of non-employee representative directors and their remuneration and payment methods;
- (IV) matters which shall be approved by a shareholders' meeting other than those required to be passed as special resolutions pursuant to laws, administrative regulations, listing rules of the places where the Company's shares are listed or the provisions of the Articles of Association.

Article 84 The following matters shall be passed as special resolutions in a shareholders' meeting:

- (I) increase or reduction in the registered capital of the Company;
- (II) division, splitting, merger, dissolution, liquidation or modification of the form of the company;
- (III) amendments to the Articles of Association;
- (IV) the purchase, sale of material assets or guarantee provide to others within one year which accounts for more than 30% of the audited total assets of the Company in the latest period;
- (V) equity incentive plans;
- (VI) other matters specified by laws, administrative regulations, listing rules of the places where the Company's shares are listed, or the Articles of Association and matters specified by ordinary resolutions of a shareholders' meeting that are considered to be significant to the Company and shall be passed as special resolutions.

The above-mentioned "within one year" means "within one fiscal year".

Article 85 The list of candidates for directors shall be submitted to the shareholders' meeting for voting by way of a proposal.

When the director election is voted at the shareholders' meeting, the cumulative voting system may apply as specified by the Articles of Association or resolved by the shareholders' meeting.

The term "cumulative voting system" as mentioned in the preceding paragraph means that in the election of directors at the shareholders' meeting, each share of a shareholder carries voting rights in the number of directors to be elected and the shareholder may cast all the votes to one candidate.

The Board shall publish an announcement to inform the shareholders of the resumes and basic information of the director candidates.

Article 86 The methods and procedures for the nomination of candidates for directors are as follows:

(I) shareholders holding or consolidating more than 1% of the total number of the Company's issued and outstanding voting shares may propose to the shareholders' meeting by way of a written proposal the candidates for directors who are not representatives of the employees, provided that the number of persons so nominated shall comply with the provisions of the Articles of Association and shall not be more than the number of persons proposed to be elected. The aforesaid proposals submitted by shareholders to the Company shall reach the Company at least 14 days prior to the date of the shareholders' meeting.

(II) the Board may, within the number of persons provided for in these Articles of Association and in accordance with the number of persons to be elected, propose lists of candidates for directors and submit them to the Board for examination. After the Board have examined and passed a resolution to determine the candidates for directors, the Board shall submit a written proposal to the shareholders' meeting. The nomination of independent non-executive director candidates shall be conducted in accordance with the laws and regulations and the regulatory rules of the places where the Company's shares are listed.

(III) written notification of the intention to nominate a director candidate and the nominee's willingness to accept the nomination, as well as relevant written materials on the nominee's status, shall be sent to the Company not less than 14 days before the date of the shareholders' meeting. The Board shall provide shareholders with the brief biographies and basic information of the candidates for directors.

(IV) the period given by the Company for the nomination of candidates for directors and the submission of the aforesaid notices and documents by the nominees (which period shall be counted on the day following the date of dispatch of the notice of the shareholders' meeting) shall be not less than 7 days.

(V) the shareholders' meeting shall vote on each of the candidates for directors individually.

(VI) in the event of a temporary increase in the number of directors, the Board shall propose to the shareholders' meeting that such director be elected or replaced.

Article 87 The shareholders' meeting shall comply with the following rules in adopting the cumulative voting system for the election of directors:

(I) the cumulative total calculated voting rights held by shareholders (including shareholders' proxies) attending the shareholders' meeting shall be the number of shares of the Company held by such shareholder multiplied by the number of directors to be elected at the shareholders' meeting.

(II) the shareholders (including shareholders' proxies) present at the shareholders' meeting shall be entitled to freely allocate the cumulative total voting rights for the election of each candidate. The smallest unit of voting rights used by each shareholder (including shareholders' proxies) attending the meeting for allocation to each candidate shall be the shares held by him/her. The total number of voting rights allocated to all candidates by each shareholder shall not exceed the total number of voting rights calculated on a cumulative basis, but may be less than the total number of voting rights calculated on a cumulative basis, and the difference shall be deemed to be a waiver of that portion of the voting rights by the shareholder.

(III) if the number of candidates is greater than the number of candidates to be elected, i.e., in the case of an election by a margin, all candidates shall be elected in the order of the number of votes they receive, from the highest to the lowest. In the event of a tie, the candidates with the same number of votes at the end of the list shall be elected as directors by way of a new by-election by all shareholders present at the shareholders' meeting.

Article 88 Except for the cumulative voting system, all proposals shall be voted item by item at the shareholders' meeting, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless the meeting is suspended or no resolution may be made for a force majeure or any other special reason, no proposal may be suspended or denied voting at the shareholders' meeting.

Article 89 A proposal deliberated at the shareholders' meeting shall not be modified; otherwise, the modification shall be regarded as a new proposal, which may not be voted at the shareholders' meeting.

Article 90 The same voting right may be exercised only in one manner of voting: on-site voting, online voting, or any other manner of voting. The result of the first voting shall prevail, if the same voting right is repeatedly exercised.

Article 91 Voting by registered ballots shall be adopted at the shareholders' meeting.

Article 92 Before proposals are voted at the shareholders' meeting, two representatives of shareholders shall be recommended to take part in the counting and supervision of ballots. Where a shareholder is connected to any matter deliberated, the shareholder and its proxy may not take part in the counting and supervision of ballots.

When proposals are voted at the shareholders' meeting, lawyers or relevant organisations such as H share registrar (if any), representatives of shareholders shall be jointly responsible for the counting and supervision of ballots, announce the voting results on the spot, and record them in the minutes of the meeting.

Shareholders or their proxies voting online or in any other manner (if any) shall have the right to check their votes through the corresponding voting system.

Article 93 The time of close of the on-site voting of the shareholders' meeting shall not be earlier than that of online or any other manner of voting, and the presider shall announce the voting and voting result of each proposal and according to the voting result, whether a proposal is passed.

Before the voting results are officially announced, the Company, ballot counters and supervisors, shareholders, network service providers, and other parties involved in the on-site, online, and other manners (if any) of voting of the meeting shall all be obligated to keep the voting information confidential.

Article 94 The shareholders attending the shareholders' meeting shall deliver one of the following opinions on the proposals submitted for voting: yes, no, or abstention, except for securities depository and clearing institutions in the capacity of nominal holders of stocks under the Interconnection Mechanism for Transactions in the Mainland and Hong Kong Stock Markets that declare opinions according to the intentions of the actual holders.

The voters of blank ballots, incorrectly completed ballots, illegible ballots, and uncast ballots shall be all deemed to have waived their voting rights, and the voting results of the shares held by them shall be recorded as "abstention".

Article 95 If the presider of the meeting has any doubts about the voting result of a proposed resolution, he/she may arrange to recount of the votes. If the presider of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the presider of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the presider of the meeting shall immediately organize re-counting of the votes.

Article 96 If ballots are counted at a shareholders' meeting, the counting results shall be recorded in the minutes of the meeting. The minutes together with the attendance record of shareholders, the powers of attorney of the proxies and valid materials of other means of voting, shall be kept at the domicile of the Company.

Article 97 The resolutions of the shareholders' meeting shall be announced in a timely manner, and the announcement shall state the number of shareholders and proxies attending the shareholders' meeting, the total number of voting shares held by them and its proportion to the total number of voting shares of the Company, the voting methods, the voting result of each proposal, and the details of each resolution adopted.

Article 98 Where a proposal is not passed, or the current shareholders' meeting modifies a resolution made at a previous shareholders' meeting, a special reminder shall be placed in the announcement of the resolutions of the current shareholders' meeting.

Article 99 If a proposal for the election of directors is approved at the shareholders' meeting, the newly appointed directors shall assume office on the time specified in the resolution of the shareholders' meeting or, if the time of assumption of office is not specified in the resolution of the

shareholders' meeting, the time of assumption of office shall be the time when the resolution of the shareholders' meeting is made.

Article 100 Where a proposal on the distribution of cash dividends or stock dividends or the issue of bonus shares out of the paid-in surplus reserve is passed at the shareholders' meeting, the Company shall execute the specific plan within 6 months after the end of the shareholders' meeting.

CHAPTER V DIRECTORS AND THE BOARD OF DIRECTORS

Section 1 Directors

Article 101 Shareholder-representative directors shall be elected and replaced at shareholders' meeting, and the shareholders' meeting may remove the director from his or her office before the expiration of the term of office. Employee-representative directors shall be democratically elected or recalled by the employees. Directors shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of his/her term.

The term of office of a director shall commence from the date of him/her assuming office until the expiry of the term of the prevailing session of the Board.

Before the expiry of his or her term of office, a director may resign by submitting a written resignation report to the Company. Where a director has not been timely re-elected at the expiry of the term of office, or where a director has resigned during the term of office resulting that the number of the members in the board falls below the quorum, the original director shall perform his/her duties as a director, prior to the assumption by the re-elected director, in accordance with the laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed and the provisions of the Articles of Association.

Except under the circumstance in the preceding paragraph, a director's resignation shall take effect once his or her resignation report is received by the Company.

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

Article 102 The Company shall establish a management system for the departure of directors, clearly defining the guarantee measures for holding liable and recovering compensation for unfulfilled public commitments and other outstanding matters. Where a director's resignation takes effect or his or her term of office expires, the director shall appropriately complete all handover procedures with the Board, but his or her duties of loyalty to the Company and shareholders shall not necessarily be discharged with the termination of their tenure, and shall remain effective during a reasonable period specified by the Articles of Association. While a director's obligation to treat such trade secrets of the Company confidential survives the termination of their tenure until the secret becomes public information. The specific period of time during which a director's duties of loyalty are assumed after the effective date of resignation or expiration of the term of office is two years from the effective date of resignation or expiration of the term of office. Other obligations may continue for such a period as fairness may require, depending on the time lapse between the termination of tenure and the

occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated. The responsibilities that a director shall assume in the performance of duties during his or her term of office shall not be relieved or terminated upon leaving office.

Article 103 The shareholders' meeting may adopt a resolution to remove a director, and the resolution takes effect on the date of resolution. Where a director is removed before expiry of his or her term of office without justified reasons, the director may require the Company to pay compensation.

Article 104 Except as specified by the Articles of Association or legally authorized by the Board, no director may act on behalf of the Company or the Board in his or her own name. When a director acts in his or her own name, if it is reasonable for a third party to believe that he or she is acting on behalf of the Company or the Board, the director shall declare his or her position and identity in advance.

Article 105 Where a director causes damage to others while performing his or her duties for the Company, the Company shall assume liability for compensation. Where a director has intentional acts or gross negligence, he or she shall also assume liability for compensation. Where a director violates any law, administrative regulation or departmental rules or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, he or she shall assume compensatory liability.

Section 2 the Board

Article 106 The Company shall establish a Board, which shall be accountable and report on its work to the shareholders' meeting. The Board shall consist of nine Directors, including one employee representative of the Company. At any time, more than one-third of the Board shall be independent non-executive Directors, and the total number of independent non-executive Directors shall not be less than three. At least one of the independent non-executive Directors shall possess appropriate professional qualifications meeting regulatory requirements, or appropriate expertise in accounting or relevant financial management.

The Board shall have one chairman. The chairman shall be elected and removed by the Board by a majority vote of all directors, with a term of three years, and may be re-elected and serve consecutive terms upon expiration of the term.

Article 107 The Board shall be accountable to the shareholders' meeting and perform the following duties and powers:

(I) to convene the shareholders' meeting and report its performance at the shareholders' meeting;

(II) to implement resolutions adopted at the shareholders' meeting;

- (III) to make decisions on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plans and loss recovery plans;
- (V) to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of bonds or other securities and listing plans;
- (VI) to formulate the plans for a significant acquisition, purchase of the shares of the Company, merger, division, dissolution and other changes in the corporate form of the Company;
- (VII) as authorized by the shareholders' meeting, to decide matters concerning external investment, acquisition or sale of assets, mortgage of assets, external guarantees, entrust wealth management, connected transactions, and external donation, among others;
- (VIII) to determine the establishment of internal management departments of the Company;
- (IX) to appoint or dismiss the general manager, the Board Secretary and secretary to the Company (the "Company Secretary"), and other senior management members of the Company, and deciding matters concerning their remunerations, punishments and rewards; and to appoint or dismiss the financial officer and other senior management members of the Company as nominated by the general manager and to determine their remunerations, punishments and rewards;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to authorize the chairman to exercise some of the duties and powers of the Board;
- (XIII) to consider and approve (1) share transactions with all percentage ratios of less than 5% and the consideration including shares to be issued for listing (including one-off transactions and a series of transactions that require a combined calculation of the percentage ratios); (2) disclosable transactions with all percentage ratios of 5% or more but less than 25% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios); and (3) partially exempt connected transactions and non-exempt connected transactions with all percentage ratios (except profits ratio) of higher than 0.1% but lower than 5% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules.
- (XIV) to formulate the equity incentive plans and employee stock ownership plans of the Company;
- (XV) to prepare the proposal on the amount and payment method of the emoluments of directors and to submit it to the shareholders' meeting for decision;

(XVI) to manage the information disclosure of the Company;

(XVII) to propose at the shareholders' meeting for the appointment or change of accounting firm conducting auditing for the Company;

(XVIII) to hearing the work reports of the general manager of the Company and inspecting the general manager's work;

(XIX) to decide on such major matters and administrative affairs other than those ought to be decided by the shareholders' meeting of the Company as specified in the laws, administrative regulations, rules and regulations of the competent authorities and these Articles of Association of the Company and enter into other important agreements;

(XX) other duties and powers stipulated by laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed, or the provisions of the Articles of Association.

Except for the Board resolutions in respect of the matters specified in paragraphs (V), (VI) and (XI) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one-half of the directors.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a shareholders' meeting according to the listing rules of the places where the Company's shares are listed, such shall be submitted to the shareholders' meeting for consideration and review.

Article 108 Where a non-standard audit opinion is issued by certified public accountants on the financial reports of the Company, the Board shall submit explanations to the shareholders' meeting.

Article 109 The Board shall develop the rules of procedures of the Board of Directors to ensure the implementation of the resolutions of the shareholders' meeting by the Board, improve work efficiency, and guarantee scientific decision-making.

Article 110 The Board shall define the powers for external investment, acquisition or sale of assets, mortgage of assets, external guarantees, entrust wealth management, connected transactions, and external donation, among others, and establish rigorous examination and decision-making procedures as follows:

(I) in accordance with the percentage ratios calculated requirements under the Hong Kong Listing Rules 14.07, (1)all share transactions (including one-off transactions and a series of transactions requiring aggregation for the purpose of calculating the percentage ratios) are less than 5% and where the consideration includes shares to be issued for listing, (2)discloseable transactions (including one-off transactions and a series of transactions requiring aggregation

for the purpose of calculating the percentage ratios) where the percentage ratios are 5% or more but less than 25%, and (3) all partially exempt connected transactions and non-exempt connected transactions (including one-off transactions and a series of transactions that require aggregation of percentage ratios), where the percentage ratios (other than profitability ratios) calculated in accordance with the percentage ratios calculated requirements under the Hong Kong Listing Rules 14.07 are higher than 0.1% but less than 5% , are subject to the approval of the Board;

(II) where the relevant transactions should be submitted to the Board and/or the shareholders' meeting for consideration in accordance with the relevant provisions of the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed, the relevant provisions of the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed shall be complied with.

The Board shall establish strict review and decision-making procedures. For any major investment project, the Board shall organize a review by relevant experts and professionals, and report it to the shareholders' meeting for approval.

Article 111 The chairman of the Board shall exercise the following powers:

(I) to preside over shareholders' meeting, to convene and preside over Board meetings;

(II) to supervise and inspect the implementation of Board resolutions;

(III) to sign important documents of the Board and other documents that shall be signed by the chairman of the Board;

(IV) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide ex-post reports to the Board and the shareholders' meeting;

(V) to nominate or recommend the general manager, the Board Secretary and the Company Secretary for the Board to consider and vote;

(VI) to propose to convene an extraordinary meeting of the Board;

(VII) to exercise other functions and powers conferred by the Board.

Article 112 If the chairman of the board of the Company is unable to perform his or her duties or fails to perform his or her duties, a director elected by a majority of all directors shall perform such duties.

Article 113 Meetings of the Board shall be classified into the regular meetings of the Board and extraordinary meetings of the Board.

At least four regular Board meetings shall be convened each year on a quarterly (4) basis. Board meetings shall be convened by the chairman of the board. 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). The Board of Directors shall have arrangements to ensure that all directors have the opportunity to put forward matters for discussion to be included in the agenda of the regular meetings of the Board of Directors.

The regular meetings cannot be convened by way of circulation of written resolution.

Board meetings shall generally be convened on-site. Whenever it is necessary, the Board meetings may be convened through video, telephone, fax, or email after agreement of the convener (the president) or proposer provided that the directors can fully give their opinions. The Board meetings may also be held on-site and off-site simultaneously.

Article 114 The chairman of the board shall convene an extraordinary board meeting in one of the following circumstances:

- (I) proposed by shareholders holding not less than one-tenth of the voting rights;
- (II) proposed by not less than one-third of the directors or the Audit Committee;
- (III) considered necessary by the chairman; and
- (IV) other circumstances stipulated by the Articles of Association.

Article 115 The notice of extraordinary board meeting shall be served in writing to all directors and the senior management members by hand, express deliveries, e-mail, or facsimile three days before the date of the meeting. However, if an extraordinary meeting of the Board of Directors needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone, text message and WeChat or, other oral methods, provided that the convener gives an explanation thereof at the meeting.

Article 116 Except for the extraordinary meeting of the Board under urgent circumstances, the notice of board meeting shall be served by hand or facsimile, express deliveries, e-mail and other means.

A notice of a meeting of the Board in writing shall include the following particulars:

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;

(III) matters and proposals to be considered at the meeting; and

(IV) the date of issuance of the notice.

If a meeting is held by means of correspondence, the notice of the meeting shall specify the manner, deadline and address for the directors to send the votes.

Article 117 Meetings of the Board may be held only if a majority of all directors are present.

Each director shall be entitled to one vote. Save as otherwise specified in the Articles of Association, resolutions made by the Board shall be passed by more than half of all directors.

Article 118 Where a director is affiliated to an enterprise or individual involved in a matter to be resolved at a meeting of the Board of Directors, the director shall submit a written report to the Board of Directors in a timely manner. Such director shall abstain from the meeting, and his/ her voting rights shall be withdrawn and he/she shall not be counted in the quorum of the meeting, neither shall he/she vote by proxy of other directors. Where any Director is required to abstain from voting, the relevant meeting of the Board may be held when more than half of the uninterested Directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested Directors. If the number of uninterested Directors attending the meeting is less than 3, the relevant proposal shall not be voted and shall be submitted to the shareholders' meeting for review.

Article 119 Meetings of the Board 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 with the principal's signature or seal.

The director attending the meeting on behalf of the absent director shall exercise the director's rights to the extent authorized. If a director fails to attend a meeting of the Board and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at such meeting.

A director who fails to attend the meetings of the Board twice consecutively neither in person nor by authorizing another director to attend such meetings on his or her behalf shall be deemed unable to execute his or her duties, and the Board shall advise the shareholders' meeting to replace him or her.

Article 120 The vote on board resolutions shall be taken by way of voting on a show of hands, speeches or of an open ballot at the meeting.

On the premise that the directors are assured to have fully expressed their views, the extraordinary board meeting may be conducted by way of circulating written resolution(s), which shall be signed by the directors attending the meeting and delivered to the Company by hand, express deliveries, e-mail or facsimile.

Article 121 The board shall keep minutes of resolutions on matters discussed at relevant meetings. The minutes shall be signed by the directors present at such meetings.

The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the listing rules of the places where the Company's shares are listed, the Company's Articles of Association or the resolutions of the shareholders' meeting, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his/her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability.

The minutes of Board meetings shall be kept as archives of the Company and the period of retention shall not be less than ten years.

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

- (I) the date and place of the meeting and the name of the convener;
- (II) the names of directors attending the meeting and the names of directors (proxies) attending the meeting on behalf of others;
- (III) the agenda of the meeting;
- (IV) the key points of speeches of directors; and
- (V) the manners and results of voting on each matter for resolution (voting results shall specify the number of yes, no, and abstention votes).

Article 123 The Board establishes special committees such as audit committee, nomination committee and remuneration committee, which are the special working body under the Board and responsible for providing suggestions and advices to the Board. The personnel composition and terms of reference of special committees shall be resolved separately by the Board. Special committees shall not make any resolution in the name of the Board. Instead, in the absence of violation of the mandatory provisions under PRC's relevant laws, regulations, regulatory documents and the listing rules of the places where the Company's shares are listed, they shall exercise the right of decision on the authorized matters under the special authorization of the Board.

Section 3 Independent Non-Executive Director

Article 124 Independent non-executive directors shall, in accordance with the laws, administrative regulations, and rules of the CSRC and the Stock Exchange where the Company's shares are listed, and the Articles of Association, diligently perform their duties, maximize the role of participating in decision-making, supervision and balancing, and professional consultation in the board

of directors, safeguard the overall interests of the Company and protect the lawful rights and interests of minority shareholders.

Article 125 Independent non-executive directors must maintain their independence. The following personnel shall not serve as independent non-executive directors:

(I) personnel employed by the Company or its affiliated enterprises, as well as their spouses, parents, children and major social relations therewith;

(II) natural person shareholders who directly or indirectly hold more than 1% of the shares issued by the Company or are among the top ten shareholders of the Company, as well as their spouses, parents and children;

(III) shareholders who directly or indirectly hold more than 5% of the shares issued by the Company, or hold positions among in the top five shareholders of the Company, as well as their spouses, parents and children;

(IV) personnel employed in the affiliated enterprises of the Company's controlling shareholder or actual controller, as well as their spouses, parents and children;

(V) personnel who have significant business transactions with the Company and its controlling shareholder, actual controller or their respective affiliated enterprises, or who hold positions in entities with significant business transactions and their controlling shareholder or actual controller;

(VI) personnel providing financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, actual controllers or their respective affiliated enterprises, including but not limited to all members of the project team of the intermediary institutions providing services, review personnel at all levels, personnel affixing signatures to the reports, partners, directors, senior management and main responsible persons;

(VII) personnel who fall under any of the circumstances listed in subparagraphs (I) to (VI) within the most recent twelve months;

(VIII) other personnel who do not have independence as stipulated by laws, administrative regulations, the CSRC, the business rules of the stock exchange and the Articles of Association;

The affiliated enterprises of the Company's controlling shareholder or actual controller as mentioned in subparagraphs (IV) to (VI) of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and have not formed an affiliated relationship with the Company in accordance with the relevant regulations.

Article 126 Anyone who serves as an independent non-executive director of the Company shall meet the following conditions:

(I) in accordance with laws, administrative regulations, the regulatory rules of the listing venue of the Company's shares and other relevant provisions, he or she is qualified to serve as a director of a listed company;

(II) he or she complies with the requirements for independence as stipulated in the Articles of Association;

(III) he or she possesses basic knowledge on operation of listed companies and is familiar with relevant laws, regulations and rules;

(IV) he or she has more than five years of working experience in law, accounting or economics, etc. necessary to perform the duties of an independent director;

(V) he has sound personal character and no major records of bad faith or other bad records;

(VI) other conditions as stipulated by laws, administrative regulations, the rules of the CSRC, the regulatory rules of the listing venue of the Company's shares and the Articles of Association;

Article 127 As members of the Board of Directors, independent non-executive directors shall be loyal and diligent to the Company and all shareholders, and shall perform the following duties prudently:

(I) participating in the decision-making of the board of directors and expressing clear opinions on the matters deliberated;

(II) supervising potential major conflicts of interest between the Company and its controlling shareholder, actual controller, directors and senior management, and protecting the lawful rights and interests of minority shareholders;

(III) providing professional and objective suggestions for the Company's operation and development to promote the improvement of the decision-making level of the board of directors;

(IV) other duties as prescribed by laws, administrative regulations, the CSRC, the regulatory rules of the listing venue of the Company's shares and the Articles of Association;

Article 128 Independent non-executive directors shall exercise the following special powers:

(I) independently engaging intermediary institutions to audit, consult or verify specific matters of the Company;

(II) to propose to the Board the appointment or removal of the accounting firm;

(III) putting forward a proposal to the Board of Directors to convene an interim shareholders' meeting;

(IV) putting forward a proposal to convene a meeting of the Board of Directors;

(V) publicly soliciting shareholders' rights from shareholders in accordance with the law;

(VI) expressing independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;

(VII) other powers as prescribed by laws, administrative regulations, the CSRC, the regulatory rules of the listing venue of the Company's shares and the Articles of Association;

Independent non-executive directors exercising the powers listed from subparagraphs (I) to (IV) of the preceding paragraph shall obtain the consent of more than half of all independent non-executive directors.

If the aforesaid proposal is not accepted or the aforesaid authorities cannot be properly exercised, the Company shall make disclosure of the relevant situation.

Section 4 Special Committee of the Board of Directors

Article 129 The Company does not have a supervisor or a Supervisory Committee. The Board of Directors of the Company has established an audit committee (hereinafter referred to as the "Audit Committee"), which exercises the functions and powers of the Supervisory Committee as stipulated in the Company Law and other functions and powers as stipulated in the Articles of Association.

Article 130 The Audit Committee shall consist of three directors, all of whom shall be non-executive directors. Independent non-executive directors shall account for the majority of the Audit Committee members, and at least one independent non-executive director shall possess appropriate professional qualifications as defined under the Hong Kong Listing Rules or appropriate expertise in accounting or relevant financial management. The members of the Audit Committee shall be determined upon deliberation by the Board of Directors. Employee representatives on the Board of Directors of the Company may serve as members of the Audit Committee.

The Audit Committee shall have one convener, who shall be an independent non-executive director with professional accounting expertise, and shall be responsible for presiding over the work of the Audit Committee. The convener of the Audit Committee shall be elected by the Board of Directors.

The principal duties and powers of the Audit Committee are as follows:

(I) to make recommendations to the Board of Directors on the appointment, reappointment, replacement or dismissal of the external audit institution; to approve and review the audit fees and engagement terms of the external audit institution; to handle any matters relating to the resignation or dismissal of the external audit institution; to supervise the work of the external

audit institution and review the reports issued by the external audit institution. The Company may only deliberate relevant proposals at the Board of Directors after the Audit Committee has formed review opinions and made recommendations to the Board of Directors regarding the engagement or replacement of the external accounting firm;

(II) to review and supervise the independence and objectivity of the external audit institution and the effectiveness of the audit procedures in accordance with applicable standards, and to discuss with the external audit institution the nature, scope and relevant reporting responsibilities of the audit before the commencement of audit work;

(III) to formulate and implement policies on non-audit services provided by the external audit institution (if any). For this purpose, the external audit institution shall include any entity under common control, ownership or management with the auditing firm, or any entity that a reasonable third party with knowledge of all relevant information would reasonably conclude to be part of the local or international operations of the auditing firm. The Audit Committee shall report to the Board of Directors and make relevant recommendations on actions or improvements it considers necessary;

(IV) to act as the primary representative of the Company in relation to the external audit institution and to oversee the relationship between them;

(V) to review and supervise the completeness of the Company's financial statements, annual report and accounts, interim report and (if to be published) quarterly report, and to review significant opinions contained therein relating to financial reporting. Before submitting the relevant statements and reports to the Board of Directors, the Audit Committee shall specifically review the following: any changes in accounting policies and practices; matters involving significant judgments; significant adjustments arising from the audit; the going concern assumption and any qualifications; compliance with accounting standards; and compliance with laws and the Hong Kong Listing Rules regarding financial reporting;

(VI) to perform the duties set out in item (V) above: members of the Audit Committee shall liaise with the Board of Directors, senior management and the engaged audit institution of the Company; the Audit Committee shall hold at least two meetings each year with the external audit institution of the Company; the Audit Committee shall consider any significant or unusual items reflected or to be reflected in the financial reports and accounts, and shall give due consideration to matters raised by the Company's financial personnel, internal auditors or compliance personnel, or the engaged external audit institution;

(VII) to review the Company's financial controls, risk management and internal control systems;

(VIII) to discuss with management the risk management and internal control systems to ensure that management has discharged its duty to establish effective systems. Such discussions shall include the adequacy of resources, staff qualifications and experience in the Company's

accounting and financial reporting functions, as well as the adequacy of training programs and related budgets for staff;

(IX) to investigate, either on its own initiative or as assigned by the Board of Directors, significant findings of investigations into risk management and internal control matters and management's responses thereto;

(X) to ensure coordination between the internal audit function and the external audit institution; to ensure that the internal audit function has sufficient resources to operate and appropriate standing within the Company; to review and supervise the effectiveness of the operation of the internal audit function;

(XI) to review the Company's financial and accounting policies and practices;

(XII) to review the management letter submitted by the external audit institution to management, any significant queries raised by the external audit institution to management regarding accounting records, financial accounts or internal control systems, and management's responses thereto; to ensure that the Board of Directors responds in a timely manner to matters raised in the management letter from the external auditors to management;

(XIII) to ensure that the Company establishes appropriate channels for employees to report or raise concerns in confidence about possible improprieties in financial reporting, internal control or other matters; to review such arrangements periodically to enable fair and independent investigations and appropriate follow-up actions by the Company;

(XIV) to report to the Board of Directors on matters within the scope of the Audit Committee's duties (including matters under the Corporate Governance Code), and to report decisions or recommendations made by the Audit Committee to the Board of Directors, except where such reporting is restricted by law or regulation;

(XV) to review the Company's compliance with the Corporate Governance Code under the Hong Kong Listing Rules and disclosures in the Corporate Governance Report;

(XVI) other powers of the Supervisory Committee as stipulated in the Company Law;

(XVII) other powers conferred by the Board of Directors of the Company or to study other matters defined by the Board of Directors;

(XVIII) other relevant requirements on the duties and powers of the Audit Committee as may be prescribed by laws, administrative regulations, regulatory rules of the Company's stock listing venue and the Articles of Association as amended from time to time.

Article 131 The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and for supervising and evaluating internal and external audit work as well as internal control. The following matters shall be submitted to the Board of Directors for deliberation only after

being approved by a majority of all members of the Audit Committee:

(I) disclosure of financial accounting reports, financial information in periodic reports, and internal control evaluation reports;

(II) engagement or dismissal of the accounting firm engaged to conduct audit work for the Company;

(III) appointment or dismissal of the Company's financial director;

(IV) changes in accounting policies or accounting estimates, or corrections of major accounting errors, for reasons other than changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, provisions of the China Securities Regulatory Commission, regulatory rules of the Company's stock listing venue and the Articles of Association.

Article 132 The Audit Committee meetings shall be divided into regular meetings and interim meetings, and at least one meeting shall be held each quarter. An interim meeting may be convened upon the proposal of the convener of the Audit Committee, two or more members, or the Board of Directors or the chairman of the Board. An Audit Committee meeting may be held only when more than two-thirds of its members are present.

The Audit Committee shall notify all its members of the meeting by mail, fax or telephone three days prior to the meeting. In case of an emergency requiring an urgent meeting of the Audit Committee, the meeting notice may be given on the same day by mail, fax or telephone, provided that the convener of the Audit Committee shall make an explanation at the meeting.

An Audit Committee meeting shall be convened and presided over by the convener of the Audit Committee. Where the convener is unable or fails to perform his or her duties, a member jointly recommended by a majority of the Audit Committee members shall convene and preside over the meeting.

A resolution adopted by the Audit Committee shall be approved by a majority of the Audit Committee members. Each member shall have one vote in voting on resolutions of the Audit Committee. Meeting minutes shall be prepared for resolutions of the Audit Committee in accordance with regulations, and members present at the meeting shall sign the meeting minutes. The working rules of the Audit Committee shall be formulated by the Board of Directors.

Article 133 The Board of Directors of the Company establishes a Nomination Committee and a Remuneration Committee, which perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. Proposals put forward by the special committees shall be submitted to the Board of Directors for deliberation and decision. The working rules of the special committees shall be formulated by the Board of Directors.

Article 134 The Nomination Committee shall consist of no fewer than three directors, among whom independent non-executive directors shall account for the majority. The members shall be determined upon deliberation by the Board of Directors. The Nomination Committee shall have one convener, who shall be either the chairman of the Board or an independent non-executive director and shall be responsible for presiding over the work of the Nomination Committee. The convener of the Nomination Committee shall be elected by the Board of Directors.

Article 135 The principal duties and powers of the Nomination Committee are as follows:

(I) to review at least annually the structure, size and composition of the Board (including skills, knowledge and experience), assist the Board in developing a board skills matrix, and make recommendations on any proposed changes to the Board to align with the Company's strategy;

(II) to identify individuals suitably qualified to become directors, and select or make recommendations to the Board on the nomination of such persons for directorship;

(III) to conduct a broad search for qualified candidates for directors and senior management;

(IV) to evaluate candidates for directors and senior management, and put forward evaluation opinions and appointment recommendations to the Board;

(V) to review the independence of independent non-executive directors;

(VI) to make recommendations to the Board on matters relating to the appointment or re-appointment of directors and senior management, and succession planning for directors and senior management (in particular the chairman and general manager);

(VII) to report its decisions or recommendations to the Board, except where such reporting is restricted by law or regulation;

(VIII) to support the issuer in conducting regular assessments of the Board's performance;

(IX) such other powers as may be delegated by the Board;

(X) such other requirements on the duties and powers of the Nomination Committee as may be stipulated in the regulatory rules of the Company's stock listing venue as amended from time to time.

Article 136 The Remuneration Committee shall consist of no fewer than three directors, among whom independent non-executive directors shall account for the majority. The members shall be determined upon deliberation by the Board of Directors. The Remuneration Committee shall have one convener, who shall be an independent non-executive director and shall be responsible for presiding over the work of the Remuneration Committee. The convener of the Remuneration Committee shall be elected by the Board of Directors.

Article 137 The principal duties and powers of the Remuneration Committee are as follows:

(I) to make recommendations to the Board on the overall remuneration policies and structure for directors and senior management, as well as the establishment of formal and transparent procedures for the development of remuneration policies;

(II) to formulate and recommend to the Board remuneration packages for the Company's directors and senior management. In formulating such packages, the Remuneration Committee shall take into account factors including the Company's policies and objectives, remuneration paid by comparable companies, the time and responsibilities of the relevant directors and senior management, and terms of employment for other positions within the Company;

(III) To review and approve compensation payable to directors and senior management for loss or termination of office or appointment, and compensation arrangements relating to the dismissal or removal of directors for misconduct, to ensure such compensation is fair and reasonable and not excessive;

(IV) to develop criteria for performance evaluation, performance evaluation procedures, and remuneration, reward and penalty measures for directors and senior management, and submit the same to the Board for approval;

(V) to recommend to the Board the individual remuneration packages for directors and senior management (including non-monetary benefits, pension rights and compensation amounts, including compensation for loss or termination of office or appointment);

(VI) to make recommendations to the Board on the remuneration of directors;

(VII) to review the performance of directors and senior management in the performance of their duties and conduct performance appraisal;

(VIII) to ensure that no director or any of his/her associates (as defined in the Hong Kong Listing Rules) may participate in deciding his/her own remuneration;

(IX) to study and make recommendations on the Company's equity incentive plans at the request of the chairman of the Board;

(X) to report its decisions or recommendations to the Board, except where such reporting is restricted by law or regulation;

(XI) such other matters as authorized by the Board;

(XII) such other relevant requirements on the duties and powers of the Remuneration Committee as may be stipulated in the regulatory rules of the Company's stock listing venue as amended from time to time.

CHAPTER VI THE BOARD SECRETARY

Article 138 The Company shall have a secretary to the board, who shall be engaged or dismissed by the Board. The secretary to the board shall be a senior management officer of the Company.

Article 139 The secretary to the board shall be a natural person with the necessary professional knowledge and experience. His or her main duties shall be as set forth below:

- (I) ensuring that the document of the Board complies with the relevant laws and regulations;
- (II) ensuring that the Company has complete organizational documents and records;
- (III) ensuring that the Company prepares and submits reports and documents required by relevant authorities pursuant to the law;
- (IV) ensuring that the register of shareholders of the Company is properly established, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents;
- (V) being responsible for the preparations for the meetings of the shareholders' meeting and the Board, retention of documents, management of materials on shareholders, and handling of information disclosure and other matters; and
- (VI) other duties required by laws, regulations, the Articles of Association, other management systems of the company, and the listing rules of the places where the Company's shares are listed.

The Board Secretary shall abide by the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

Article 140 A director or other senior management of the Company may also act as the secretary to the Board of the Company. No accountant of the accounting firm which has been appointed by the Company shall not act as the secretary to the Board.

CHAPTER VII THE GENERAL MANAGER

Article 141 The Company shall have one general manager who shall be appointed or dismissed by the Board.

Article 142 The general manager's term of office is three years, and may be renewed upon reappointment.

Article 143 The general manager of the Company shall be accountable to the Board and perform the following duties and powers:

(I) to lead the management of production and operation, to organize and implement the Board resolutions and report to the Board;

(II) to organize and implement the annual operation plan and investment proposal of the Company;

(III) to propose the establishment proposal of the internal management departments of the Company;

(IV) to formulate the basic management system of the Company;

(V) to formulate the Company's specific rules;

(VI) to propose the appointment or dismissal of the chief financial officer of the Company to the Board;

(VII) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;

(VIII) other duties and powers granted by the Articles of Association or the Board.

Article 144 The general manager of the Company may be present at a Board meeting. The general manager has no voting rights at the Board meetings unless he/she is also a director.

Article 145 The general manager may resign before the expiry of his or her term of office. The specific procedures and methods for the general manager's resignation shall be provided for by the employment contract or services contract between the general manager and the Company.

Article 146 Where a senior management causes damage to others while performing his or her duties for the Company, the Company shall assume liability for compensation; where a senior management has intentional acts or gross negligence, he or she shall also assume liability for compensation.

Where the senior management members violates any law, administrative regulation, departmental rule or the Articles of Association in executing his or her duties in the Company, causing losses to the Company, he or she shall assume compensatory liability.

Article 147 In exercising his/her functions and powers, the senior management members shall perform the duty of loyalty and good faith and diligence as well as safeguarding the best interests of the Company and all shareholders in accordance with relevant laws, administrative regulations, the listing rules of the places where the Company's shares are listed, and the Articles of Association. Senior management members of the Company who fail to faithfully perform their duties or violate

their fiduciary duties, causing damage to the interests of the Company and public shareholders shall be liable for compensation in accordance with the law.

CHAPTER XIII QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS AND SENIOR MANAGEMENT MEMBERS

Article 148 None of the following persons may serve as directors or senior management members of the Company:

(I) persons without capacity or with limited capacity for civil acts;

(II) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation, or it has not been two years since the date on which the probation period expires, if a probation is announced;

(III) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;

(IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked or ordered closedown for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license or be orderd closeddown;

(V) persons with comparatively large debts that have fallen due but have not been settled and are listed as dishonest judgment debtor by a people's court;

(VI) persons who are identified as unsuitable to serve as directors, or senior management as a listed company by the Stock Exchange where the Company's shares are listed, and their terms have not yet expired ;

(VII) non-natural persons;

(VIII) persons who are banned by the CSRC from access to the securities market, and the ban has not expired;

(IX) other circumstances specified by the relevant laws, administrative regulations, departmental rules or the listing rules of the Stock Exchange where the Company's shares are listed, ect.

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

Article 149 The directors and senior management members of the Company shall abide by the provisions of laws, administrative regulations and the Articles of Association, adopt measures to avoid conflicts between their own interests and the interests of the Company, and shall not take advantage of their powers to seek any improper interests. Directors and senior management members have the following duties of loyalty to the Company:

(I) not to accept bribes or obtain any other illegal income by taking advantage of their functions or appropriate any property of the Company;

(II) not to misappropriate the funds of the Company;

(III) not to open accounts in their own names or in other individuals' names to deposit any assets or funds of the Company;

(IV) without reporting to the Board of Directors or the shareholders' meeting and adoption by the resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association, directors shall not directly or indirectly enter into contracts or conduct transactions with the Company;

(V) shall not take advantage of their powers to seek business opportunities belonging to the Company for themselves or others, except if the situation is reported to the Board of Directors or the shareholders' meeting and adopted by the resolution of the shareholders' meeting, or if the Company is unable to take advantage of such business opportunities in accordance with the laws, administrative regulations or the provisions of the Articles of Association;

(VI) without reporting to the Board of Directors or the shareholders' meeting and being adopted by the resolution of the shareholders' meeting, shall not engage in business of the same type as that of the Company on their own or for others.

(VII) not to accept any commissions from others on transactions conducted with the Company;

(VIII) not to disclose any secret of the Company without authorization;

(IX) not to use their affiliations to damage the interests of the Company;

(X) other duties of loyalty as set out 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.

Income obtained by directors and senior management members in violation of this article shall belong to the Company, and directors and senior management members who cause any losses to the Company shall assume compensatory liability.

Where a close relative of a director or senior management, an enterprise directly or indirectly controlled by a director or senior management of the Company or a close relative of him or her, or an affiliated party that is otherwise affiliated to a director or senior management enters into a contract or conducts a transaction with the Company, the provision of subparagraph (IV) of paragraph 2 of this article shall apply.

Article 150 Directors and the senior management members shall abide by the provisions of laws, administrative regulations and the Articles of Association, have a duty of diligence to the Company, and exercise the due care that a manager ordinarily exercises in the best interest of the Company in executing their functions. Directors and the senior management members shall have the following duties of diligence to the Company:

(I) to prudentially, carefully and diligently exercise the rights conferred by the Company to ensure that the business conduct of the Company complies with the laws and administrative regulations of the state and the requirements of various economic policies of the state and the commercial transactions of the Company are within the scope of business indicated in the business license of the Company;

(II) to fairly treat all shareholders;

(III) to keep them informed in a timely manner of the operating and management conditions of the Company;

(IV) to confirm in writing and sign the periodic reports of the Company, and ensure the veracity, accuracy and completeness of the information disclosed by the Company;

(V) to honestly provide relevant information and materials to the Audit Committee, and may not interfere with the exercise of functions by the Audit Committee;

(VI) other duties of diligence as set out 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.

CHAPTER IX FINANCIAL AND ACCOUNTING POLICY, PROFIT DISTRIBUTION AND AUDIT

Article 151 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and provisions issued by the relevant departments of the state.

Article 152 The Company shall adopt the Gregorian calendar year for its financial year, i.e. from 1 January to 31 December.

Article 153 The Company shall report, disclose and/or submit to shareholders annual reports, interim reports, results announcements and other documents in accordance with relevant laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed.

Article 154 The financial statements of the Company shall, in addition to being prepared in accordance with accounting standards and regulations of China, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed. If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards, such discrepancy shall be stated in the notes to financial statements. In distributing its after-tax profits for the relevant financial year, the lower of the after-tax profits presented in the aforesaid two financial statements shall prevail.

Article 155 The Company shall prepare its annual reports within four months from the end of each accounting year, and prepare its interim reports within three months from the end of the first half year of each accounting year.

The aforesaid annual reports or interim reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed.

Article 156 The Company shall not establish an accounting book other than those required by law. The assets of the Company shall not be deposited in any account opened in an individual's name.

Article 157 In the distribution of the after-tax profits of a year, the Company shall set aside 10% of the profits as its statutory surplus reserve. The Company may no longer do so if the cumulative total of its statutory surplus reserve accounts for 50% or more of the Company's registered capital.

Where the statutory surplus reserve of the Company is not adequate to cover losses of previous years, the profits of a year shall be first used to cover losses before the set-aside of the statutory surplus reserve in the preceding paragraph.

After the Company has set aside a part of the after-tax profits as its statutory surplus reserve, it may, upon resolution by the shareholders' meeting, set aside a part of the after-tax profits as its discretionary surplus reserve.

After coverage of losses and set-aside of surplus reserves, the remaining after-tax profits shall be distributed in proportion to the shares held by shareholders, unless the Articles of Association provide otherwise.

If the shareholders' meeting distributes profits to shareholders in violation of the [Company Law](#), the shareholders shall return the profits distributed in violation of the regulations to the Company. If losses are caused to the Company, shareholders and the directors and senior management who are responsible shall assume liability for compensation.

The shares of the Company held by the Company shall not participate in its distribution of profits.

Article 158 The Company's surplus reserves shall be used to cover the losses, expand the operations or increase the registered capital of the Company.

Where surplus reserves are used to cover loss of the Company, the discretionary and statutory surplus reserves shall be first used; and if they are insufficient for covering losses, the capital surplus reserves may be used according to the provisions.

Where the statutory surplus reserves are converted to increase in the registered capital, the remaining amount of the reserve shall not be less than 25% of the Company's registered capital before capitalization.

Article 159 After a resolution of the shareholders' meeting of the Company is made regarding its profit distribution plan, the Board must complete the distribution of dividends (or shares) within six months after the shareholders' meeting is held.

Article 160 The Company attaches importance to reasonable investment returns to shareholders. Profit distribution should follow the principles of attaching importance to reasonable investment returns to shareholders and being conducive to the long-term development of the Company; the Company's policy on profit distribution should be continuous and stable and in compliance with the relevant provisions of laws, regulations and the listing rules of the places where the Company's shares are listed. The Company distribute dividends in the form of cash or shares. Where distributable profits exist, the Board may make a cash dividend distribution plan or/and a stock dividend distribution plan based on the Company's business and financial conditions.

When the Company's latest annual audit report is unqualified or carries an unqualified opinion with a material uncertainty paragraph related to going concern, when the gearing ratio is higher than a certain specific percentage, when the operating cash flow is lower than a certain specific level, or when there are other circumstances, the Company may refrain from distributing profits.

Article 161 The Company shall implement an internal audit system, clearly defining the leadership structure, responsibilities and authorities, personnel allocation, financial guarantee, application of audit results and accountability for the internal audit work.

Article 162 The internal audit institution of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

Article 163 The internal audit institution shall be responsible to the Board of Directors. During the process of supervising and inspecting the Company's business activities, risk management, internal control and financial information, the internal audit institution shall accept the supervision and guidance of the audit committee. When the internal audit institution discovers any major problem or lead, it shall immediately report directly to the audit committee.

Article 164 The specific organization and implementation of the internal control evaluation of the Company shall be in the charge of the internal audit institution.

Article 165 When the audit committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit institutions shall actively cooperate with them and provide necessary support and collaboration.

CHAPTER X APPOINTMENT OF ACCOUNTING FIRM

Article 166 The Company shall engage an independent accounting firm in compliance with the relevant regulations of the PRC and the listing rules of the places where the Company's shares are listed and other securities regulatory rules of the places where the Company's shares are listed to audit the Company's annual financial report; and the term of appointment shall be one year and renewable.

Article 167 The engagement and dismissal of an accounting firm shall be subject to the decision of the shareholders' meeting, and the Board may not appoint any accounting firm before the shareholders' meeting makes the decision.

Article 168 The Company shall guarantee the provision of true and complete accounting documents, accounting books, financial accounting reports, and other accounting materials to the accounting firm engaged, and may not refuse to provide, conceal, or provide false materials.

Article 169 The auditing fees of the accounting firm shall be determined by the shareholders' meeting or authorised to the Board to fix its remuneration.

Article 170 A 15 days' prior notice shall be given to the accounting firm if the Company decides to remove or not to renew the appointment, but when the dismissal of the accounting firm is voted at the shareholders' meeting, the accounting firm shall be allowed to present its opinion.

If an accounting firm resigns from its position, it shall make representations at a shareholders' meeting whether there has been any impropriety on the part of the Company.

CHAPTER XI MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Article 171 The merger of the Company may take the form of either merger by absorption or a new consolidation.

In case of a merger, a company is absorbed by another company, and the absorbed company is dissolved. In case of consolidation, two or more companies are consolidated into a new company, and all the consolidated companies are dissolved.

Article 172 Where the price paid by the Company for a merger does not exceed 10% of the Company's net assets, a resolution of its shareholders' meeting is not required, except as otherwise prescribed in the Articles of Association.

Where a resolution of the shareholders' meeting of the Company is not required regarding a merger of the Company under the preceding preceding, it shall be resolved by the Board of Directors.

Article 173 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a list of assets. The Company shall notify its creditors within 10 days of, and shall make an announcement on the newspapers recognised by the Company's registrar and the stock exchange on which the Company's shares are listed or the National Enterprise Credit Information Publication System within 30 days of, the date of the Company's resolution on the merger.

The creditors may, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive a notice, demand the Company to repay its debts or to provide corresponding guaranties.

Article 174 Upon merger, creditors' rights and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 175 In a division, the assets of the Company shall be split in an appropriate manner.

In the event of division of the Company, the parties concerned shall prepare balance sheets and a list of assets. The Company shall notify its creditors within 10 days after the date of the resolution on division and shall make an announcement on the newspapers recognised by the company's registrar and the stock exchange on which the company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days.

The debts of the Company before division shall be borne by the companies established after division jointly and severally, unless otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

Article 176 Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a property checklist.

The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital was made and shall publish an announcement in a newspaper recognised by the Company's registrar and the stock exchange on which the Company's shares are listed or the National Enterprise Credit Information Publicity System within 30 days therefrom. The creditors shall, within 30 days from the date of receiving the written notice, or within 45 days from the

date of the public announcement for those who have not received the written notice, be entitled to require the Company to pay off its debts or to provide corresponding security.

Where the Company reduces its registered capital, the Company shall reduce the corresponding capital contribution or shares on the basis of the proportion of shares held by shareholders, except as otherwise provided for by the laws, the listing rules of the places where the Company's shares are listed or the Articles of Association.

Article 177 Where the loss of the Company cannot be fully covered under paragraph 2 of Article 158 of the Articles of Association, the Company may reduce its registered capital to cover loss. If loss is covered by reduction of the registered capital, the Company may neither distribute the reduction to the shareholders nor exempt the shareholders from the obligation of making capital contribution or payment for shares.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of paragraph 2 of Article 176 of the Articles of Association shall not apply, but an announcement shall be made on the newspaper recognized by the Company registration authority and the Stock Exchange where the Company's shares are listed or in the National Enterprise Credit Information Publicity System within 30 days from the date when the shareholders' meeting makes a resolution to reduce the registered capital.

After reducing its registered capital under the preceding two paragraphs, the Company shall not distribute profits before the cumulative amount of the statutory and discretionary surplus reserves reaches 50% of the registered capital of the Company.

Article 178 Where the registered capital is reduced in violation of the [Company Law](#) and other relevant provisions, the shareholders shall return the funds received by them, and the original state shall be restored if shareholders are granted exemption from or reduction of capital contribution; and if any loss is thus caused to the Company, the shareholders and liable directors, and senior management shall pay damages.

Article 179 Where the Company offers new shares to increase its registered capital, the shareholders do not have the preemptive rights to subscribe for new shares, except as otherwise prescribed in the Articles of Association or unless the shareholders' meeting adopts a resolution to decide that the shareholders have the preemptive rights to subscribe for new shares.

Article 180 Where any of the registered items changes due to a merger or division of the Company, the Company shall process the changes of registration with the company registration authority. Should the Company be dissolved, it shall be deregistered according to laws. If a new company is established, it shall go through the registration for company establishment according to laws.

Article 181 The Company shall be lawfully dissolved and liquidated under any of the following circumstances:

(I) expiry of the term of operation stipulated in the Articles of Association or occurrence of an event which triggers the dissolution as provided in the Articles of Association;

(II) the shareholders' meeting adopts a resolution to dissolve the Company;

(III) the Company needs to be dissolved for merger or division;

(IV) the Company's business license is forfeited, is ordered to close down, or is abolished according to the law;

(V) where the Company encounters significant difficulties in business and management, its subsistence may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome by other means, the shareholders who hold more than 10% of the shares of the Company carrying voting rights may request the people's court to dissolve the Company.

Where any of the causes of dissolution of the Company set out in the preceding paragraph occurs, the Company shall, within ten days, publish the cause of dissolution through the National Enterprise Credit Information Publicity System.

Article 182 Under the circumstance set out in Article item (I), (II) of Article 181 of the Articles of Association and has not yet distributed property to shareholders, the Company may continue to exist by amending the Articles of Association or by resolution of the shareholders' meeting.

An amendment to the Articles of Association under the preceding paragraph or adoption of a resolution at a shareholders' meeting must be adopted with two thirds or more of the voting rights held by shareholders attending the shareholders' meeting.

Article 183 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 181 hereof, the Company shall conduct liquidation. Directors, as the liquidation obligors of the Company shall, within 15 days from the date upon which the cause of dissolution arises, form a liquidation group to conduct liquidation.

The liquidation group are composed of directors, unless any other person is selected through a resolution of the shareholders' meeting.

Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the Company or any creditor, the liquidation obligors shall assume liability for compensation.

Article 184 The liquidation committee shall notify creditors within 10 days from the date of its establishment and make an announcement on the newspapers recognised by the company's registrar and the stock exchange on which the Company's shares are listed or the National Enterprise Credit Information Publicity System within 60 days of that date.

The creditors shall, within 30 days upon receiving the notice, or within 45 days of the date of the announcement for those who have not received notice, shall declare their creditors' rights to the liquidation committee.

In declaring their creditors' rights, the creditors shall explain matters relating to their rights and provide evidence with respect thereof. The liquidation committee shall register creditor's rights.

The liquidation committee shall not make any settlement with the creditors during the period of declaration.

Article 185 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (I) to liquidate the Company's assets and separately prepare a balance sheet and a list of assets;
- (II) to notify creditors or issue public announcements;
- (III) to deal with the Company's outstanding business in relation to the liquidation;
- (IV) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle all creditors' rights and debts;
- (VI) to dispose of the surplus assets of the Company after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

Article 186 Upon liquidation of the Company's properties and the preparation of the balance sheet and list of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the shareholders' meeting or 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 according to the shares held by them and in proportion to their respective shareholdings.

During the liquidation, the Company continues to exist but may not carry out any operation irrelevant to liquidation.

The property of the Company shall not be distributed to shareholders before payments under the preceding paragraph.

Article 187 If the liquidation committee, after liquidating the Company's assets and preparing the balance sheet and list of assets, finds that the Company's assets are insufficient to settle its debts, it shall legally apply to the people's court for bankruptcy liquidation.

After the people's court accepts the Company's application for bankruptcy liquidation, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 188 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the shareholders' meeting or the people's court for confirmation, file it with the Company registration authority, apply for cancellation of the Company

Article 189 The members of the liquidation group shall, in performing their liquidation duties, have the duty of loyalty and duty of diligence.

Where any member of the liquidation group is negligent in performing his/her liquidation duties, causing any losses to the Company, he or she shall assume compensatory liability.

Where the member of the liquidation group causes any loss to the creditor intentionally or with gross negligence, he or she shall be liable for compensation.

Article 190 Where the Company is declared bankrupt according to the law, it shall undergo bankruptcy liquidation according to laws on bankruptcy of enterprises.

CHAPTER XII AMENDING THE ARTICLES OF ASSOCIATION

Article 191 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) after the amendment of the Company Law or any other relevant law or administrative regulation, any provisions of the Articles of Association are in conflict with the amended law or administrative regulation;
- (II) any changes of the Company result in inconsistency with the relevant provisions of the Articles of Association;
- (III) the shareholders' meeting decides to amend the Articles of Association.

Article 192 Where any amendment to the Articles of Association adopted by a resolution of the shareholders' meeting is subject to the approval of the appropriate authorities, and if any amendment to the Articles of Association involves a registered particular of the Company, the approval and registration of the change shall be carried out in accordance with the law.

Article 193 The Board shall amend the Articles of Association according to the resolution of the shareholders' meeting to amend the Articles of Association and the opinions of the appropriate authorities expressed in their approvals.

Article 194 Where the disclosure of information on any amendment to the Articles of Association is required by any law or regulation, the amendment shall be announced as required.

CHAPTER XIII NOTICES AND ANNOUNCEMENTS

Article 195 Subject to laws, regulations, rules, and the relevant requirements of the stock exchange which the Company's shares listed on, the notices of the Company shall be given in the following ways:

- (I) by hand;
- (II) by express deliveries;
- (III) by fax or e-mail;
- (IV) announcement;
- (V) any other manner specified by the Articles of Association.

The notices, materials or written announcement of the shareholders' meeting should be delivered to the shareholders of overseas listed shares in any of the following manners:

- (I) to be delivered to every holder of overseas listed shares by person or by express deliveries to the registered addresses of such holder of overseas listed shares;
- (II) to be announced at the websites designated by the securities regulatory authorities or the stock exchange of the place where securities of the Company are listed in accordance with relevant laws, administrative regulations, and listing rules;
- (III) other manners required by the stock exchange of the place where securities of the Company are listed and listing rules.

While the Articles of Association may have otherwise provided for the publication or notification methods of any document, notice, or other communication, the Company may publish communications by the means specified in item (IV) of the first paragraph in this Article or other means of the relevant requirements of the stock exchange which the Company's shares listed on, to replace the means of sending written documents to each holder of overseas listed shares by hand or by express deliveries provided that doing so will be in compliance with the relevant regulations of the stock exchange where the Company's shares are listed. The said communications refer to any documents sent or to be sent by the Company to the shareholders for reference or taking action, including but not limited to the annual reports (including annual financial reports), interim reports

(including interim financial reports), reports of the Board of Directors (together with the balance sheets and income statements), notices of shareholders' meeting, circulars, and other communications.

Article 196 Unless otherwise provided for in the Articles of Association, the ways of giving notices in Article 186 shall apply to notices of shareholders' meeting and the Board convened by the Company.

Article 197 Where a notice from the Company is sent out by hand, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the delivery date. Where the notice is sent out via express deliveries, the delivery date shall be the 48 hours after such notice is delivered to the post office or the express delivery companies. Where the notice is sent out by fax or email or published on the website, the delivery date shall be the date when the notice is sent out. Where the notice is sent out by public announcement, the delivery date shall be the first date of publication of such announcement.

Article 198 Where a notice of holding a meeting is not issued to a person entitled to the notice or such a person fails to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

Article 199 Any notice, document, information or written statement sent to the Company by the shareholders or directors shall be serviced by hand or express deliveries to the legal address of the Company.

Article 200 For the purpose of proving that any notice, document, information or written statement has been sent to the Company by the shareholders or directors, evidence shall be sufficed to show that such notice, document, information or written statement has been deposited within the period specified for depositing the same by the ways specified in Article 197 of the Articles of Association; in the case of delivery by hand, the receipt confirmation of the Company shall be sufficed; in the case of delivery by express deliveries, supporting information showing that the mail has been prepaid and sent to the correct address shall be sufficed.

Article 201 When the listing rules of the places where the Company's shares are listed require the Company to send, mail, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both English and Chinese, if the Company has made appropriate arrangements to confirm whether the Company's shareholders wish to receive the English version only or the Chinese version only, the Company may, to the extent permitted under and in accordance with the applicable laws and regulations, only send the English version or the Chinese version of such documents to the relevant shareholder (in accordance with the intention expressed by the shareholder).

Article 202 The Company makes announcements and disclosures to the domestic shareholders through the information disclosure newspapers and websites designated by the laws, administrative regulations or the relevant domestic regulatory authorities. If an announcement should be made to the H shareholders in accordance with this prospectus, such announcement shall at the same time be published in the designated newspapers, websites and/or the Company's website in accordance with the methods stipulated in the Hong Kong Listing Rules.

CHAPTER XIV BY-LAWS

Article 203 Definitions:

(I) “Controlling shareholder” means the shareholder which holds shares accounting for more than 50% of the total capital shares of the Company or the shareholder whose shareholding ratio does not exceed 50% but whose voting rights carried by the shares held suffice to have a material influence on the resolutions of the shareholders’ meeting;

(II) “Actual controller” means a natural person, legal person or other organization that is able to actually dominate the conduct of the Company through investment relations, agreements, or other arrangements;

(III) “Affiliation” means the relationship between the controlling shareholder or actual controller, a director or a senior management member of the Company and an enterprise directly or indirectly controlled by the controlling shareholder, actual controller, director or senior management member or any other relationship that may lead to the transfer of the interests of the Company. However, enterprises controlled by the state are not necessarily affiliated because they are under the same control by the state.

Article 204 The Board may formulate detailed rules and regulations of the Articles of Association in accordance with the provisions of the Articles of Association. The detailed rules and regulations of the Articles of Association shall not be in conflict with the provisions of the Articles of Association.

Article 205 In the Articles of Association, references to “accounting firm” shall have the same meaning as “auditors”.

Article 206 In the Articles of Association, the expressions of “above”, “within” shall include the figures mentioned whilst the expressions of “over”, “more than”, “less than”, “past”, “beyond” shall not include the figures mentioned.

Article 207 The Articles of Association are written in Chinese. In the event of discrepancies between the Chinese and any other foreign language versions or different versions of the Articles of Association, the Chinese version shall prevail.

Article 208 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 places 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 places where the Company's shares are listed shall prevail.

Article 209 The Articles of Association shall be interpreted by the Board of the Company.

Article 210 The annexes to the Articles of Association include the Rules of Procedure of the shareholders' meetings and the Rules of Procedure of the meetings of the Board of Directors.

Article 211 The Articles of Association shall take effect on the date of being approved by the resolution of the shareholders' meeting of the Company. The original Articles of Association shall be repealed as from the date on which the Articles of Association come into effect.