

**Articles of Association of
Suxin Joyful Life Services Co., Ltd.**

(Amendments)

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NOTE: WITHIN THE MARGINAL NOTES OF THESE ARTICLES OF ASSOCIATION,

“**Company Law**” represents the Company Law of the People’s Republic of China;

“**Securities Law**” represents the Law of the People’s Republic of China on Securities;

“**Trial Measures**” represent the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) announced on February 17, 2023 and implemented on March 31, 2023 (China Securities Regulatory Commission Announcement [2023] No. 43);

“**Guidelines on the Articles of Association of Listed Companies**” represent the Guidelines on the Articles of Association of Listed Companies (Revised in 2022) (《上市公司章程指引(2022年修訂)》) issued and implemented by the China Securities Regulatory Commission on January 5, 2022 (China Securities Regulatory Commission Announcement [2022] No. 2);

“**Letter of Supplementary Opinions**” represents the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》) (Zheng Jian Hai Han [1995] No.1) jointly promulgated by the overseas listing department of the CSRC and the former production system department of the State Commission for Restructuring the Economic System on April 3, 1995;

“**Opinions on Regulated Operation and In-depth Reform**” represent the “Opinions on Further Assistance in Regulated Operation and In — depth Reform of Companies Listed outside the PRC” (《關於進一步促進境外上市公司規範運作和深化改革的意見》) (Guo Jing Mao Qi Gai [1999] No. 230) jointly promulgated by the former State Economic and Trade Commission and the CSRC on March 29, 1999;

“**Hong Kong Listing Rules**” represent the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

“**Appendix 3 to the Hong Kong Listing Rules**” represents the Appendix 3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

“**Appendix 14 to the Hong Kong Listing Rules**” represents the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Articles of Association of Suxin Joyful Life Services Co., Ltd.

Chapter 1 General Provisions

Article 1 In order to safeguard the legitimate rights and interests of Suxin Joyful Life Services Co., Ltd. (the “**Company**”), its shareholders and creditors, and to regulate the organisation and activities of the Company, these Articles of Association are formulated in accordance with the Company Law, the Securities Law, the Guidelines on the Articles of Association of Listed Companies, Hong Kong Listing Rules and other relevant regulations.

Article 2 The Company established in accordance with the Company Law, the Securities Law, Trial Measures, the Hong Kong Listing Rules and other relevant laws, administrative regulations of the PRC.

The Company was established by the way of promotion on April 16, 2021 with the approval by the State-owned (Collective) Assets Supervision and Administration Office of Suzhou High-tech Zone (Huqiu District) and was registered with Suzhou Government Approval Bureau and obtained the business license on April 23, 2021.

The Unified Social Credit Code of the Company is 91320505251617013D.

The promoters of the Company are Suzhou Sugaoxin Group Co., Ltd. and Sugaoxin Chengjian Development (Suzhou) Co., Ltd.

Article 3 The Company was approved by the China Securities Regulatory Commission on August 26, 2021, to issue 26,047,000 overseas listed foreign shares (including 1.047 million over-allotment shares), and was listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on August 24, 2022.

Article 4 The Company’s registered names are:

Full name in Chinese: 蘇新美好生活服務股份有限公司

Full name in English: Suxin Joyful Life Services Co., Ltd.

Article 1 of the Guidelines on the Articles of Association of Listed Companies

Article 81 of the Company Law

Article 2 of the Guidelines on the Articles of Association of Listed Companies

Article 3 of the Guidelines on the Articles of Association of Listed Companies

Article 81 of the Company Law

Article 4 of the Guidelines on the Articles of Association of Listed Companies

Article 5 The Company's address: Room 3001, 30/F, SND International Commerce Tower, 28 Shishan Road, Gaoxin District, Suzhou

Postal code: 215011

Tel: 0512-68251855

Article 6 The registered capital of the Company is RMB 101.047 million.

Article 7 The general manager of the Company is the legal representative of the Company.

Article 8 The Company is a joint stock limited company with perpetual existence and is an independent legal entity. The entire assets of the Company are divided into equal shares. The Company shall undertake its liabilities with all of its assets, while the liability of a shareholder of the Company shall be limited to the shares subscribed by him/her.

Article 9 From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders *inter se* and are legally binding on the Company, its shareholders, directors, supervisors and senior management personnel. Pursuant to the Articles of Association, a shareholder may take legal action against another shareholder, a shareholder may take legal action against the Company's directors, supervisors, general managers and other senior management personnel, a shareholder may take legal action against the Company and the Company may take legal action against its shareholders, directors, supervisors, general managers and other senior management personnel.

Article 81 of the Company Law

Article 5 of the Guidelines on the Articles of Association of Listed Companies

Article 81 of the Company Law

Article 6 of the Guidelines on the Articles of Association of Listed Companies

Article 81 of the Company Law

Article 8 of the Guidelines on the Articles of Association of Listed Companies

Article 3 of the Company Law

Articles 7 and 9 of the Guidelines on the Articles of Association of Listed Companies

Article 11 of the Company Law

Article 10 of the Guidelines on the Articles of Association of Listed Companies

Article 10 The Company may invest in other corporates.

However, the Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the corporates it invests in, unless it is otherwise provided for by laws.

Article 11 Other senior management officers referred to in the Articles of Association include deputy general manager, assistant to general manager, financial controller (also known as chief financial officer), secretary to the board of directors of the Company.

Article 12 The Company shall, in accordance with the provisions in the Constitution of the Communist Party of China, establish a party organisation to carry out party activities. The Company shall provide necessary support to facilitate the party activities.

Article 15 of the Company Law

Article 8 of the Guidelines on the Articles of Association of Listed Companies

Article 216 of the Company Law

Article 11 of the Guidelines on the Articles of Association of Listed Companies

Article 12 of the Guidelines on the Articles of Association of Listed Companies

Chapter 2 Vision and Scope of Business of the Company

Article 13 The objectives of the Company is “your satisfaction, our priority (您的滿意，我的追求)”.

Article 13 of the Guidelines on the Articles of Association of Listed Companies

Article 14 The business scope of the Company includes: general items: corporate management, property management, real estate brokers; real estate consulting; parking service, labour services (excluding labour despatch), sale of office supplies, sale of office equipment, retail of stationery, retail of hardware products, sale of daily necessities, retail of edible agricultural products, retail of cosmetics, rental services (excluding publication rental), information technology consultancy services, network technology services, computer system services, information consultancy services (excluding licensed information consultancy services), conference and exhibition services, etiquette services, housekeeping services, health consultancy services (excluding medical services), nursing agency services (excluding medical services), organization of cultural and artistic exchange activities (except for items that are subject to approval in accordance with the law, to operate independently with a business licence in accordance with the law). The business scope referred to in the preceding paragraph shall be such items as audited by the relevant company registration authority.

Article 81 of the Company Law

Article 14 of the Guidelines on the Articles of Association of Listed Companies

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business, subject to approval (if required) by the general meeting of shareholders and relevant government departments, and go through the relevant business registration changes in accordance with the regulations.

Chapter 3 Shares

Section 1 Issuing of Shares

Article 15 The share of the Company is in the form of stock. The Company shall have ordinary shares at all times. Subject to the laws, regulations and the requirements of securities regulatory agencies, the Company may, according to its needs, create different classes of shares.

Article 125 of the Company Law

Article 15 of the Guidelines on the Articles of Association of Listed Companies

Article 16 The shares issued by the Company shall be denominated in RMB.

Article 17 of the Guidelines on the Articles of Association of Listed Companies

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

Article 126 of the Company Law

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

Article 16 of the Guidelines on the Articles of Association of Listed Companies

Article 18 Subject to the laws, regulations and the requirements of the securities regulatory agencies, the Company may issue shares to domestic investors and foreign investors, and it shall also perform registration or filing procedures with the China Securities Regulatory Commission (hereinafter referred to as the “China Securities Regulatory Commission”) in accordance with the laws.

Trial Measures

Foreign investors referred to in the preceding paragraph mean those investors who subscribe for the Company’s shares and who are located in foreign countries and in the regions of the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan. Domestic investors mean those investors who subscribe for the Company’s shares and who are located within the territory of the People’s Republic of China excluding the regions mentioned above.

Article 19 Domestic Shares issued by the Company are under centralized depository of China Securities Depository and Clearing Corporation Limited. Overseas listed foreign shares issued by the Company are mainly under the securities depository and clearing company in Hong Kong, and can also be held in the name of individual shareholder.

Article 18 of the Guidelines on the Articles of Association of Listed Companies

Article 20 The Company, at the time of its establishment, issued 75,000,000 ordinary shares to its promoters, all of which are subscribed and held by the promoters of the Company, among which:

Article 81 of the Company Law

Suzhou Sugaoxin Group Co., Ltd. subscribed and held 69,846,825 shares, representing 93.1291% of the total number of ordinary shares issued by the Company at the time of its establishment;

Article 19 of the Guidelines on the Articles of Association of Listed Companies

Sugaoxin Chengjian Development (Suzhou) Co., Ltd. subscribed and held 5,153,175 shares, representing 6.8709% of the total number of ordinary shares issued by the Company at the time of its establishment.

Article 21 The total number of shares of the Company is 101,047,000 shares. The share capital structure of the Company is: 101,047,000 ordinary shares, among which 75,000,000 shares of domestic shares, representing 74.223% of the total number of shares of the Company, and 26,047,000 shares of overseas listed foreign shares (H shares), representing for 25.777% of the total number of shares of the Company.

Article 81 of the Company Law

Article 20 of the Guidelines on the Articles of Association of Listed Companies

Article 22 The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the Company.

Article 21 of the Guidelines on the Articles of Association of Listed Companies

Section 2 Increase, Reduction and Repurchase of Shares

Article 23 Based on its operating and development needs, the Company may, pursuant to the laws, regulations, the listing rules in the place where the Company's shares are listed and the Articles of Association and with the approval by the resolution in the shareholders' general meeting, increase its capital in the following ways:

Article 22 of the Guidelines on the Articles of Association of Listed Companies

- (1) a public offering of shares;
- (2) a private issue of shares;
- (3) distributing bonus shares to its existing shareholders;
- (4) conversion of capital reserve fund into share capital; and
- (5) any other means which are stipulated by laws and administrative regulations and approved by the relevant regulatory authority.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association and the listing rules in the place where the Company's shares are listed, the issuance thereof should be made in accordance with the procedures set out in the relevant PRC laws, administrative regulations and the listing rules in the place where the Company's shares are listed.

Article 24 The Company may reduce its registered capital. Such reduction shall be made in accordance with the procedures set out in the Company Law, other relevant requirements and the Articles of Association.

Article 23 of the Guidelines on the Articles of Association of Listed Companies

Article 25 The Company shall not buy back its shares, except in one of the following circumstances:

- (1) reducing its registered capital;
- (2) merging with another company which holds the shares of the Company;
- (3) acquiring its own shares for employee stock ownership plans or equity incentives;
- (4) acquiring the shares upon request by shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;
- (5) acquiring its own shares to convert the corporate bonds issued by listed company that are convertible to shares; or
- (6) maintaining the listed company's value and the rights and interests of shareholders as it deems necessary; and
- (7) any other circumstances permitted by the laws and administrative regulations and approved by the governing authorities.

If the Company purchases the shares of the Company, the Company shall perform the obligation of information disclosure in accordance with the Securities Law and the Hong Kong Listing Rules.

Article 26 The Company may purchase its shares in the manner of centralized trading or other methods approved by laws, administrative regulations and the China Securities Regulatory Commission and the securities regulatory authorities where the Company's shares are listed.

A company that acquires its own shares under Item (3), Item (5) or Item (6) of Article 25 of the Articles of Association shall conduct such acquisition by way of open centralized trading.

Article 142 of the Company Law

Article 24 of the Guidelines on the Articles of Association of Listed Companies

Article 142 of the Company Law

Article 25 of the Guidelines on the Articles of Association of Listed Companies

Article 27 The Company shall require a resolution of the shareholders' general meeting, before it can repurchase shares for circumstances provided in Items (1) to (2) of Article 25 of the Articles of Association. Where the Company acquires its own shares under Item (3), Item (5) or Item (6) of Article 25 of the Articles of Association, the Company may, pursuant to the Articles of Association or according to the authorization granted by the general meeting, proceed with such acquisition upon a resolution adopted at a meeting of the Board of Directors that is attended by at least two-thirds of all directors.

Article 142 of the Company Law

Article 26 of the Guidelines on the Articles of Association of Listed Companies

Shares lawfully repurchased by the Company under Item (1) of Article 25 herein shall be cancelled within ten days from the date of repurchase; for those shares repurchased under Items (2) and (4) of Article 25 herein shall be transferred or cancelled within 6 months thereafter; and the shares acquired by the Company in accordance with Item (3), Item (5) or Item (6) of Article 25 herein shall not exceed 10% of the total issued share capital of the Company, and the shares repurchased shall be transferred or cancelled within three years.

When the Company repurchases H shares, it shall comply with the relevant provisions of the Hong Kong Listing Rules.

Section 3 Transfer of Shares

Article 28 The Company's shares can be transferred in accordance with the law.

Article 137 of the Company Law

Article 27 of the Guidelines on the Articles of Association of Listed Companies

Article 29 The Company shall not accept any share certificate of the Company as the subject of the pledge.

Article 142 of the Company Law

Article 28 of the Guidelines on the Articles of Association of Listed Companies

Article 30 Shares held by promoters of the Company shall not be transferred within one year after the Company's establishment. Shares of the Company that have been issued before public offering shall not be transferred within one year commencing from the date on which the shares of the Company are listed and traded on a stock exchange.

Article 141 of the Company Law

Article 29 of the Guidelines on the Articles of Association of Listed Companies

The directors, supervisors and senior management officers of the Company shall report to the Company the number of shares (including preference shares) held by them in the Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office shall not exceed 25% of the total number of the Company's shares of the same class in his or her possession. 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. Such personnel shall not transfer the Company's shares in their possession within half a year after they have terminated their employment with the Company. Such restrictions shall comply with the relevant provisions of the Hong Kong Listing Rules if H Shares are involved.

Article 30 of the Guidelines on the Articles of Association of Listed Companies

Article 31 Where the shareholders, directors, supervisors and senior management personnel of the Company who hold more than 5% of the Company's shares, sell his/her shares in the Company or other securities with equity nature within six months of his/her purchase, or purchase the shares again within six months of the sale, the profits thus made shall accrue to the Company and the Board of the Company shall collect all such profits, except for securities companies holding more than 5% of the Company's shares due to the purchase of the remaining shares pursuant to an underwritten share offer, and other circumstances stipulated by the China Securities Regulatory Commission.

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

If the Board of the Company fails to comply with the requirements under the paragraph 1 in this Article, a shareholder shall have the rights to request the Board to do so within 30 days. In failure of the Board of the Company to comply with the same within the aforesaid period, such shareholder shall have the rights to institute a legal proceeding directly with the court in its own name for the benefit of the Company.

If the Board of the Company fails to comply with the requirements under the first paragraph, the Director(s) liable shall assume joint and several responsibilities pursuant to laws.

Chapter 4 Shareholders and General Meetings

Section 1 Shareholders

Article 32 The Company shall establish a register of shareholders in accordance with the evidence provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong for inspection by the shareholders. A company may, on giving notice in accordance with the relevant provisions of the Hong Kong Listing Rules or the Hong Kong Companies Ordinance, close its register of members or any part thereof in respect of any class of shares for a period or periods not exceeding 30 days in the aggregate in any year. If the applicable laws, regulations and other normative documents, and the regulatory rules of the place where the company's shares are listed have other provisions on the closure of the register of members, those provisions shall prevail. A shareholder shall enjoy rights and assume obligations according to the class of shares held. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 33 When the Company needs to confirm the identity of shareholders for holding a shareholders' general meeting, distributing dividends, conducting liquidation and engaging in other acts, the Board of Directors or the convener of the shareholders' general meeting shall determine the record date. Shareholders registered in the register of members after close of market on the record date shall be those shareholders entitled to the relevant rights and interests of shareholders of the Company.

Article 31 of the Guidelines on the Articles of Association of Listed Companies

Rule 20 of Appendix 3 to the Hong Kong Listing Rules

Section 632 of the Companies Ordinance of Hong Kong

Article 32 of the Guidelines on the Articles of Association of Listed Companies

Article 34 Holders of shares of the Company shall have the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend, speak and vote on his/her behalf at shareholders' general meetings in proportion to the number of shares held in accordance with laws;
- (3) the right to supervise the Company's business operations, and to put forward proposals and raise inquiries;
- (4) the right to transfer, give or pledge the shares held in accordance with laws, administrative regulations and the Articles of Association;
- (5) Review these Articles of Association, the register of shareholders, corporate bond counterfoils, minutes of shareholders' general meetings, the resolutions of the Board of Directors, resolutions of the Board of Supervisors, and financial and accounting reports;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (7) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (8) any other rights conferred by laws, administrative regulations, departmental rules or the Articles of Association.

Article 35 Shareholders who request for the information described in the previous Article shall provide written documentation as proof of their shareholdings' category and amount. The Company shall provide the information as requested upon confirmation of the identification of the shareholders.

Articles 97, 102 and 142 of the Company Law

Article 33 of the Guidelines on the Articles of Association of Listed Companies

Rule 14(3) of Appendix 3 to the Hong Kong Listing Rules

Article 34 of the Guidelines on the Articles of Association of Listed Companies

Article 36 Shareholders have the right to apply to the civil courts for contents of resolutions of shareholders' general meetings and the Board of Directors meeting that is in violation of laws and administrative regulations to be found invalid.

Article 35 of the Guidelines on the Articles of Association of Listed Companies

In the event that the convening and voting procedures of shareholders' general meetings and Board of Directors meetings are in violation of laws, administrative regulations, or the Articles of Association, or the contents of resolutions are in violation of the Articles of Association, shareholders have the right to apply to the civil courts for revocation within 60 days of the date of resolutions.

Article 37 If a director or senior management personnel has violated any laws, administrative regulations or these Articles of Association in the course of performing his or her duties to the Company, and thereby caused the Company to incur a loss, a shareholder or shareholders who individually or jointly hold 1% or more of the Company's shares for more than 180 consecutive days has the right to request in writing the board of supervisors to initiate proceedings in the people's court. If the board of supervisors has violated the laws, administrative regulations or these Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, shareholder(s) may request in writing the board of directors to initiate proceedings in the people's court in respect thereof.

Article 36 of the Guidelines on the Articles of Association of Listed Companies

If the board of supervisors or the board of directors refuses to initiate proceedings after receipt of a written request from the shareholder(s) as mentioned in the preceding paragraph, or fails to initiate proceedings within 30 days from the date of receipt of the request, or under urgent circumstances where failure to promptly initiate proceedings would cause irreparable harm to the Company's interests, the shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the people's court in their own name in the interests of the Company.

If any third party infringes the lawful rights of the Company and has caused a loss to the Company, the shareholders mentioned in the first paragraph of this Article may initiate proceedings in the people's court according to the provisions of the two preceding paragraphs.

Article 38 In the event that directors and senior management act in violation of laws, administrative regulations, or the Articles of Association, resulting in the loss of interests of shareholders, shareholders may begin legal proceedings with the civil courts.

Article 37 of the Guidelines on the Articles of Association of Listed Companies

Article 39 Holders of shares of the Company shall assume the following obligations:

Articles 20 and 83 of the Company Law

- (1) to abide by the laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw shares, except as provided in laws and regulations;
- (4) not to prejudice the interests of the Company or other shareholders by abusing shareholder's rights; not to prejudice the interests of the creditors of the Company by abusing the independent legal person status of the Company or by abusing the limited liabilities of the shareholder;
- (5) other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 38 of the Guidelines on the Articles of Association of Listed Companies

Shareholders of the Company who abuse their shareholders' rights and thereby cause loss to the Company or other shareholders shall be liable for indemnity according to the law; where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Article 40 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the day on which he/she pledges his/her shares.

Article 41 The controlling shareholders and de facto controllers of the Company shall not use their connections to harm the interests of the Company. Any person who violates this provision and causes losses to the Company shall be liable for compensation.

The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws. The controlling shareholders shall not infringe the legitimate rights of the Company and other shareholders of the Company through profit distribution, asset restructuring, foreign investment, capital appropriation and loan guarantee, and shall not make use of their controlling status to jeopardize the interests of the Company and public shareholders of the Company.

Article 39 of the Guidelines on the Articles of Association of Listed Companies

Article 40 of the Guidelines on the Articles of Association of Listed Companies

Section 2 General Provisions for the Shareholders' General Meeting

Article 42 The shareholders' general meeting is the organ of authority of the Company and shall have the following functions and powers in accordance with the law:

Articles 99 and 121 of the Company Law

Article 41 of the Guidelines on the Articles of Association of Listed Companies

- (1) to decide the Company's operational guidelines and investment schemes;
- (2) to elect and remove directors and supervisors not being staff representatives and to determine matters relating to the remuneration of the directors and the supervisors;
- (3) to consider and approve the reports of the Board of Directors;
- (4) to consider and approve the reports of the Board of Supervisors;
- (5) to consider and approve the Company's annual financial budgets and final accounts;
- (6) to consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (7) to resolve on increase or reduction in the Company's registered capital;
- (8) to resolve on the issue of debentures by the Company;
- (9) to resolve on the merger, demerger, dissolution, liquidation or change of form of business of the Company;
- (10) to amend the Articles of Association;
- (11) to decide the engagement, re-appointment or dismissal of the accounting firms;
- (12) to consider and approve the guarantees stipulated in Article 43;
- (13) to consider the purchase or disposal of material assets by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (14) to consider and approve any change in the use of proceeds from funds raised;

- (15) to consider the share incentive plan and employee share ownership plans;
- (16) to consider and approve other matters which, according to the laws, administrative regulations, departmental rules and the Articles of Association, should be resolved by the shareholders at general meetings;
- (17) to consider and approve other matters as required by the listing rules of the stock exchange of the locality on which the Company's shares are listed.

Where laws, regulations and regulatory rules of the place where the Company's shares are listed have other mandatory provisions on the matters to be considered at the shareholders' general meeting and the relevant approval standards, such provisions shall prevail; Subject to the laws, regulations and mandatory provisions of the regulatory rules of the place where the shares are listed, the shareholders' general meeting may authorize or delegate the Board of Directors to transact the matters authorized or delegated by it.

Article 43 The following provision of external guarantees by the Company shall be considered and approved at the shareholders' general meeting:

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

Articles 16 and 148 of the Company Law

Article 42 of the Guidelines on the Articles of Association of Listed Companies

- (7) other guarantees that require the consideration of the shareholders' general meeting stipulated by laws, regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

If a director, general manager or any other senior management officer violates a provision on the approval authority or consideration procedure for the provision of external guarantees as specified in laws, administrative regulations or the Articles of Association, thereby causing the Company to sustain a loss, he/she shall be liable for damages and the Company may institute a legal action against him or her in accordance with the law.

Article 44 A general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.

Article 100 of the Company Law

Extraordinary general meetings shall be convened within 2 months from the occurrence of any of the following circumstances:

Articles 43 and 44 of the Guidelines on the Articles of Association of Listed Companies

- (1) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (3) when any shareholder(s) holding individually or collectively 10% or more of the Company's shares request(s) for the convening of an extraordinary general meeting;
- (4) when deemed necessary by the Board of Directors or when requested by the Board of Supervisors;

Article 6 of the Opinions on Regulated Operation and In-depth Reform

Rules 14(1) and 14(5) of Appendix 3 to the Hong Kong Listing Rules

- (5) other situations stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange of the locality where the Company's shares are listed or the Articles of Association.

In any of the circumstances referred to in Items (3) and (4) above, the matter for consideration proposed by the party requesting the holding of the extraordinary general meeting shall be included in the agenda of such meeting.

Article 45 The venue of the shareholders' general meetings of the Company shall be: the domicile of the Company, the business place of the Company or locations specified in the notice of the other meeting. Shareholders' general meetings shall be held onsite at a venue. The Company may also provide an online voting platform for its shareholders to conveniently participate in shareholders' general meetings. Shareholders participating in a shareholders' general meeting by the aforementioned means shall be deemed to have attended such meeting.

Article 45 of Guidelines on the Articles of Association of Listed Companies

Article 46 The Company shall, for general meetings held, engage lawyers to provide legal opinions on the following issues and make related announcement:

Article 46 of Guidelines on the Articles of Association of Listed Companies

- (1) whether or not the procedures for convening of the meeting are in compliance with the laws, administrative regulations and these Articles of Association;
- (2) whether or not persons attending the meeting and the convener of the meeting are qualified and lawful;
- (3) whether or not the procedure and results of voting are lawful and valid;
- (4) any other issues to be addressed by legal opinions as required by the Company.

Section 3 Convening of Shareholders' General Meeting

Article 47 Independent directors are entitled to propose to the board of directors for convening an extraordinary general meeting. In response to such proposal of the independent directors to convene an extraordinary general meeting, the board of directors shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the board agrees to convene such extraordinary general meeting pursuant to the laws, administrative regulations and these Articles of Association. Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board. Where the board disagrees to convene such extraordinary general meeting, the board shall give reasons for such decision, which shall also be announced.

Article 47 of the Guidelines on the Articles of Association of Listed Companies

Article 48 The board of supervisors has the right to propose to the board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and these Articles of Association.

Article 48 of Guidelines on the Articles of Association of Listed Companies

Where the board agrees to convene such extraordinary general meeting, a notice to convene such general meeting shall be issued within five days after the passing of the relevant resolution by the board, provided that any changes to the original proposal shall be subject to the consent being obtained from the board of supervisors.

Where the board disagrees to convene such extraordinary general meeting, or where the board fails to provide any response within ten days after receiving such proposal, it shall be deemed that the board has not been able to perform or it does not perform its duty to convene such general meeting, and the board of supervisors may by itself convene and preside over such meeting.

Article 49 Shareholders individually or collectively holding more than 10% (including 10%) of the shares of the Company have the right to request the Board to convene an extraordinary general meeting, and shall submit the request to the Board in writing.

The Board shall, in accordance with the provisions of laws, administrative regulations and the Company's articles of association, provide written feedback on whether it agrees or disagrees with convening an extraordinary general meeting within ten days after receiving the said written request.

If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five days after the board resolved to do so. If the board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, shareholders separately or aggregately holding 10% or more of the Company's shares have the right to propose to the board of supervisors to convene an extraordinary general meeting by way of written request(s).

If the board of supervisors agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders.

If the board of supervisors does not issue notice of the extraordinary general meeting within the required period, it will be considered as not going to convene and preside over the extraordinary general meeting, and shareholders separately or aggregately holding 10% or more of the shares of the Company for ninety or more consecutive days have the right to convene and preside over the meeting on their own.

Article 50 The board of supervisors or the shareholders that decide to hold a general meeting by itself or themselves must notify the Board thereof in writing, and file it with the stock exchange.

The shareholders that convene the general meeting shall hold at least 10% of the shares in the Company prior to the publish of the resolutions of such meeting.

Article 101 of the Company Law

Article 49 of the Guidelines on the Articles of Association of Listed Companies

Rule 14(5) of Appendix 3 to the Hong Kong Listing Rules

Article 50 of the Guidelines on the Articles of Association of Listed Companies

Upon issuing the notice of the general meeting and the resolutions of such meeting, the board of supervisors or the convening shareholder shall provide relevant supporting documents to the stock exchange.

Article 51 If the board of supervisors or shareholders itself/ themselves convene a general meeting, the Board and the secretary to the Board shall provide cooperation. The Board will provide the register of shareholders as of the date of record.

Article 51 of the Guidelines on the Articles of Association of Listed Companies

Article 52 The necessary expenses of the general meeting convened by the board of supervisors or the shareholders itself/ themselves shall be borne by the Company.

Article 52 of the Guidelines on the Articles of Association of Listed Companies

Section 4 Proposals and Notices of General Meetings

Article 53 The substance of the motion proposed shall fall within the functions and powers of the general meeting. It shall have a clear subject of discussion and a specific resolution, and shall be in compliance with laws, administrative regulations and the relevant requirements set forth in the Articles of Association.

Article 53 of the Guidelines on the Articles of Association of Listed Companies

Article 54 When the Company convenes a general meeting, the board, the board of supervisors and shareholders individually or jointly holding 3% or more of the shares of the Company shall have the right to propose motions to the Company.

Article 102 of the Company Law

Article 54 of the Guidelines on the Articles of Association of Listed Companies

Shareholders individually or jointly holding 3% or more of the shares of the Company may propose a extempore motion and submit the same to the convener 10 days before the date of general meeting. The convener of the general meeting shall issue a supplemental notice of shareholders' general meeting within 2 days after the receipt of such motion and make a public announcement of the contents of such extempore motion.

Unless in the circumstance hereinabove, the convener may not, after publishing the notice of the general meeting, make any change to the motions set forth in such notice or add any new motions.

Any proposal that is not stated on the notice of the general meeting or that is incompliant with Article 53 of the Articles of Association will not be considered or approved by the general meeting.

Article 55 When the Company convenes a general meeting, the convener shall notify all shareholders in writing 21 days before the annual general meeting and 15 days before the extraordinary general meeting. When calculating the notice period, the date of the meeting shall be excluded. Where laws, regulations and securities regulatory authorities in the place where the Company's shares are listed have other provisions, such provisions shall prevail.

Article 102 of the Company Law

Article 55 of the Guidelines on the Articles of Association of Listed Companies

Rule 14(2) of Appendix 3 to the Hong Kong Listing Rules

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

Article 56 of the Guidelines on the Articles of Association of Listed Companies

- (1) be in writing;
- (2) specify the time, place and date of the meeting;
- (3) matters and proposals to be considered at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the conditions of the proposed transaction must be provided in detail together with copies of the proposed contract (if any), and the cause and effect of such proposal shall be properly described;
- (5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor, general manager and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor, general manager or other senior management officer in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;
- (6) set out the full text of any special resolution proposed to be passed at the meeting;

- (7) containing a conspicuous statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend at the general meeting, and a shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and such proxy is not necessarily be a shareholder of the Company;
- (8) share record date of shareholders who have the right to attend the general meeting;
- (9) the contact person and telephone number for the meeting;
- (10) voting time and voting procedure of voting via internet or by other ways;
- (11) other information required by laws, regulations and the regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

Article 57 In the event that the election of directors and supervisors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose details of candidates for the directors and supervisors, and shall at least include the following particulars:

Article 57 of the Guidelines on the Articles of Association of Listed Companies

- (1) their educational background, work experience, concurrent positions and other personal details;
- (2) whether or not they have any related relationship with the Company or its controlling shareholder(s) and actual controller(s);
- (3) number of shares of the Company they hold;
- (4) whether or not they have been penalized by the China Securities Regulatory Commission and other relevant departments, and disciplined by the stock exchange.

In addition to adopting the cumulative voting system to elect directors and supervisors, a single proposal on each of the candidates for directors and supervisors shall be submitted.

Article 58 After the notice of the shareholders' general meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and explain the reasons at least two working days prior to the original scheduled date.

Article 58 of the Guidelines on the Articles of Association of Listed Companies

Section 5 Convening Of Shareholders' General Meetings

Article 59 The board of directors of the Company and other conveners will take necessary measures to ensure the normal order of a shareholders' general meeting. It/they will take measures to halt acts that disrupt the meeting or which seek to cause trouble or infringe upon the lawful rights and interests of shareholders, and promptly report the same to the relevant authorities to investigate and deal with the matter.

Article 59 of the Guidelines on the Articles of Association of Listed Companies

Article 60 All ordinary shareholders (including preference shareholders with restored voting rights) whose names appear on the register of members of the Company on the record date or their proxies are entitled to attend the general meeting. They shall exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Article 60 of the Guidelines on the Articles of Association of Listed Companies

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

Rules 18 and 19 of Appendix 3 to the Hong Kong Listing Rules

The recognised clearing house ownership proxy or corporate representative as defined in the relevant ordinance enacted from time to time in Hong Kong shall have the same statutory rights as those enjoyed by other shareholders, including the right to speak and vote.

Article 61 Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof or evidence of their identities and stock account cards, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Article 61 of the Guidelines on the Articles of Association of Listed Companies

For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend a shareholders' general meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization issued by such legal representatives according to the laws.

Article 62 The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal person, either under seal or under the hand of a director or attorney duly authorized.

Articles 62 and 63 of the Guidelines on the Articles of Association of Listed Companies

The power of attorney issued by shareholders to appoint proxies to attend a shareholders' general meeting shall clarify the following details:

- (1) Name of proxies;
- (2) Whether or not they have voting rights;
- (3) Instructions to vote for, against, or abstain for each of the matters to be deliberated set forth in the agenda of the shareholders' general meeting ;
- (4) Date of issuance and the valid term of the power of attorney;
- (5) Signature (or seal) of the entrusting party. Where the entrusting party is a corporate shareholder, the seal of the corporate entity shall be affixed.

The power of attorney shall state whether the proxy(ies) can vote according to his or her own will if the shareholder does not give specific instructions.

Article 63 If such power of attorney is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the power of attorney, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.

Article 64 of the Guidelines on the Articles of Association of Listed Companies

Rule 19 of Appendix 3 to the Hong Kong Listing Rules

If the appointor is a legal person, its legal representative or any person authorized by the resolutions of the Board of Directors or other governing body shall attend the shareholders' general meeting of the Company as the appointor's representative.

Where such shareholder is a Recognized Clearing House (or its nominees) as defined by the relevant regulations enacted in Hong Kong from time to time, it may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting provided that, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and the power of attorney shall be signed by the person authorized by the Recognized Clearing House. The person(s) so authorized will be entitled to attend meetings (without being required to present share certificate, notarized authorization and/or further evidence of duly authorization) to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if such person were an individual shareholder of the Company.

Article 64 The Company shall be responsible for the preparation of the meeting attendance register. The meeting attendance register shall state the name (or name of organizations), personal identification number, address, number of shares with voting rights held or represented, name of person being represented (or name of organizations), and other matters of the persons attending the meeting.

Article 65 of the Guidelines on the Articles of Association of Listed Companies

Article 65 The convener and the attorney retained by the Company shall verify the legal qualification of shareholders according to the register of shareholders provided by the securities registrations and clearing organizations, and register the names of the shareholders and the numbers of voting shares. The registration process shall end before the chairman of the meeting announces on site the number of shareholders and proxies that attend the meeting, and the number of their voting shares.

Article 66 of the Guidelines on the Articles of Association of Listed Companies

Article 66 All directors and supervisors and the secretary to the Board of Directors shall attend the shareholders' general meeting, whereas the chief executive officer and other senior management shall be present at the meeting.

Article 67 of the Guidelines on the Articles of Association of Listed Companies

Article 67 A shareholders' general meeting shall be convened by the Board of Directors and presided by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, a director elected by more than half of all of the directors shall preside over the meeting.

Article 101 of the Company Law

Article 68 of the Guidelines on the Articles of Association of Listed Companies

A shareholders' general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.

A shareholders' general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener.

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

Article 68 The Company shall formulate the rules of procedure for the general meeting to provide details on the convening and voting procedures, including notification, registration, consideration of proposals, voting, vote counting, the announcement of the voting results, the adoption of resolutions, the minutes, and the signing and publication, as well as the principles for the authorization of the Board by the general meeting (where the contents of authorization shall be explicit and specific). The rules of procedure for the general meeting, as an Annex to the Articles of Association, shall be drafted by the Board and adopted by the general meeting.

Article 69 of the Guidelines on the Articles of Association of Listed Companies

Article 69 At the annual general meeting, the Board and the Supervisory Committee shall report on their work over the past year to the shareholders' general meeting. Each independent non-executive director shall also report their duties accordingly.

Article 70 of the Guidelines on the Articles of Association of Listed Companies

Article 70 The directors, supervisors and senior management shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the shareholders' general meeting.

Article 71 The chairman of the meeting shall, before voting begins, announce the number of attending shareholders and proxies and the total number of their voting shares according to the register of the meeting.

Article 72 Minutes of a shareholders' general meeting shall be kept by the secretary to the Board. The minutes of the meeting shall specify:

- (1) time, venue and agenda of the meeting, and the name or title of the convener;
- (2) the names of the presider of the meeting, and the directors, supervisors, managers and other senior management members attending or present at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company; which shall separately state the voting status of holders of domestic share (including shareholders' proxy) and holders of foreign share (including shareholders' proxy) who attended the shareholders' meeting;
- (4) the consideration process, summaries of speeches and voting result for each proposal; which shall separately state the voting status of holders of domestic share (including shareholders' proxy) and holders of foreign share (including shareholders' proxy) who attended the shareholders' meeting;
- (5) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
- (6) the names of the counting officer, monitoring officer and lawyers;
- (7) the number of shares with voting rights held by the holders of domestic shares (including the shareholder proxy) and holders of foreign shares (including the shareholder proxy) attending the meeting, and their respective proportions in the total number of shares of the Company;

Article 71 of the Guidelines on the Articles of Association of Listed Companies

Article 72 of the Guidelines on the Articles of Association of Listed Companies

Article 73 of the Guidelines on the Articles of Association of Listed Companies

(8) other contents that shall be recorded in the minutes of the meeting in accordance with the Articles of Association.

Article 73 The convener shall ensure the minutes of the meeting are true, accurate and complete. The attending directors, supervisors, secretary to the Board, convener or representative thereof, and presider of the meeting shall sign the minutes of the meeting. The minutes of the meeting, the signed attendance record of those shareholders on the spot and the power of attorney for attendance by proxy, and the valid information relating to the voting over network and by other means shall be kept for at least 10 years.

Article 74 of the Guidelines on the Articles of Association of Listed Companies

Article 74 A convener shall ensure that a shareholders' general meeting shall be held continuously until a final resolution is formed. In the event that a shareholders' general meeting is suspended or no resolutions can be made thereat due to special circumstances such as force majeure, the convener shall take necessary measures to restore the meeting as soon as possible or directly terminate the meeting, and make an announcement promptly. At the same time, the convener shall report to the relevant securities regulatory authorities.

Article 75 of the Guidelines on the Articles of Association of Listed Companies

Section 6 Voting and Resolutions at Shareholders' General Meetings

Article 75 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

Article 76 of the Guidelines on the Articles of Association of Listed Companies

To adopt an ordinary resolution, more than one-half of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

To adopt a special resolution, two-thirds or more of the votes represented by the shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

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

Article 77 of the Guidelines on the Articles of Association of Listed Companies

- (1) work reports of the Board of Directors and the Board of Supervisors;
- (2) plans formulated by the Board of Directors for distribution of profits and for making up losses;
- (3) appointment or removal of members of the Board of Directors and the Board of Supervisors (except for staff representative supervisors), and their remuneration and manner of payment thereof;

- (4) the Company's annual financial budgets and final accounts;
- (5) the Company's annual report;
- (6) matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

Article 77 The following matters shall be resolved by special resolutions at a shareholders' general meeting:

- (1) increase in or reduction of the Company's share capital;
- (2) demerger, merger, dissolution and liquidation of the Company;
- (3) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (4) amendments to the Articles of Association;
- (5) equity incentive plan;
- (6) any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those approved as an ordinary resolution at a shareholders' general meeting that may have material impact on the Company and are required to be approved by a special resolution;
- (7) other matters that need to be passed by special resolutions as required by the listing rules of the securities regulatory authority in the place where the company's shares are listed.

Article 78 of the Guidelines on the Articles of Association of Listed Companies

Rules 16 and 21 of Appendix 3 to the Hong Kong Listing Rules

In addition to the approval of more than two-thirds of the voting rights held by ordinary shareholders (including preference shareholders with restored voting rights, including their proxies) present at the meeting, special resolutions shall be adopted by more than two-thirds of the voting rights held by preference shareholders (excluding preference shareholders with restored voting rights, including their proxies) present at the meeting in respect of the following matters:

- (1) amendments to the Articles of Association in relation to preference shares;

- (2) to reduce the registered capital of the Company by more than ten percent on a one-off or cumulative basis;
- (3) merger, division, dissolution or change of corporate form of the Company;
- (4) issuance of preference shares;
- (5) other circumstances specified in the Articles of Association.

Article 78 Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one votes upon voting at the shareholders' general meeting. Shares held by the Company carry no voting rights and shall not be counted into the total number of shares with voting rights held by shareholders attending the meeting.

Article 103 of the Company Law

Article 79 of the Guidelines on the Articles of Association of Listed Companies

When considering the material matters affecting the interests of minority investors at the general meeting, the votes by minority shareholders shall be counted separately, the result of which shall be publicly disclosed in a timely manner.

Rule 14(4) of Appendix 3 to the Hong Kong Listing Rules

If a shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of Article 63 of the Securities Law, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be counted in the total number of voting shares at the shareholders' general meeting.

The Board of Directors, independent directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the China Securities Regulatory Commission may publicly collect voting rights from the Company's shareholders, and when soliciting voting rights from shareholders, the detailed information such as specific voting intentions shall be fully disclosed to shareholders. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. Apart from statutory conditions, the Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights.

Where any shareholder is, under the applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any general meeting, any votes cast by such shareholders (or their proxies) in contravention of such requirement or restriction shall not be counted.

Article 79 When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement of the resolutions of the general meeting shall fully disclose the voting of non-connected shareholders.

Article 80 Unless the Company is in a crisis or under any other exceptional circumstance, the Company shall not, without the approval of the shareholders' general meeting by special resolution, enter into any contract with any party (other than the directors, supervisors, general managers and other senior management officers) pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company's business.

Article 81 List of director or supervisor candidates shall be submitted by way of proposal at shareholders' general meetings.

When voting in respect of the election of directors and supervisors at the shareholders' general meeting is conducted, a cumulative voting system shall be implemented in accordance with the Articles of Association or resolutions at shareholders' general meeting.

The cumulative voting system mentioned in the previous paragraph refers to: in electing directors or supervisors at the shareholders' general meeting, the voting right(s) carried by each share shall be the same as the number of directors or supervisors to be elected. The voting right(s) of the shareholders can be exercised on a concentration basis. The Board of Directors shall announce the brief biographies and basic information of the candidates for directors and supervisors to the shareholders.

Article 80 of the Guidelines on the Articles of Association of Listed Companies

Article 81 of the Guidelines on the Articles of Association of Listed Companies

Article 82 of the Guidelines on the Articles of Association of Listed Companies

The implementation rules for the cumulative voting system are as follows:

- (1) where a cumulative voting system is used to elect directors and supervisors, candidates for independent non-executive directors, non-independent non-executive directors and supervisors shall be divided into different proposal groups for voting at the general meeting;
- (2) Shareholders attending the general meeting shall have the same number of votes as the number of directors or supervisors to be elected under each proposal group for each share held in the proposal subject to the cumulative voting system;
- (3) The number of votes held by shareholders can be cumulatively cast for one candidate or several candidates. Shareholders should vote within the number of votes for each proposal group. In the event that the number of votes cast by the shareholder exceeds the number of the votes he/she holds, or the shareholder casts votes in a number exceeding the number of candidates in the competitive election, the vote on such resolution shall be deemed invalid;
- (4) Upon completion of voting, the votes will be counted cumulatively in respect of each resolution.

Article 82 Save and except for those under the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in temporal sequence as they are raised when different motions are put forward for a single matter. Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no motion shall be set aside or rejected from being voted on at the general meeting.

Article 83 When a motion is put forward for discussion at the general meeting, no modification of the motion shall be made, or the relevant change shall be deemed as a new motion which may not be voted at the meeting.

Article 84 The voting right of the same shares shall be exercised only either by on-site voting, online voting or other means of voting. In case of repeat voting by the same shares, only the first vote is valid.

Article 83 of the Guidelines on the Articles of Association of Listed Companies

Article 84 of the Guidelines on the Articles of Association of Listed Companies

Article 85 of the Guidelines on the Articles of Association of Listed Companies

Article 85 Any vote of shareholders at general meetings must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Voting at the general meeting shall record the names of the voters.

Article 86 of the Guidelines on the Articles of Association of Listed Companies

Rule 13.39(4) of the Hong Kong Listing Rules

Article 86 Before the relevant proposal is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the voting. Any shareholder who has related relationship with the matter under consideration and his/her proxy shall not take part in counting and scrutinizing the voting.

Article 87 of the Guidelines on the Articles of Association of Listed Companies

There shall be lawyers, representatives of shareholders and representatives of supervisors to count and scrutinize the voting jointly when proposals are voted on at a general meeting. The results shall be declared at the meeting and recorded in the minutes of the meeting.

Shareholders or their proxies, who have cast their votes by internet or other methods, shall have the right to verify their voting results in the corresponding voting system.

If laws, regulations, other normative documents, and regulatory rules of the place where the Company's stocks are listed have other provisions on vote taking and scrutinizing methods, those provisions shall prevail.

Article 87 The conclusion of a general meeting onsite shall not be earlier than internet or other access to the meeting. The chairperson of the meeting shall announce the voting and the results of each proposal and shall, on the basis of the voting result, announce whether the proposal is approved or not.

Article 88 of the Guidelines on the Articles of Association of Listed Companies

The companies, counting officers, scrutinizers, major shareholders, internet service provider and all relevant parties in relation to voting on site, by internet and other voting methods, shall keep confidential of the voting results prior to the official announcement of voting results.

Article 88 Shareholders attending the shareholders' general meetings shall express one of the following opinions on the proposals submitted for voting: for, against or abstain, except that the securities registration and clearing institution, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect, makes a declaration according to the intentions of the actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by them shall be counted as "abstain".

If the regulatory rules of the place where the Company's shares are listed require any shareholder to abstain the right to vote on a certain resolution, or restrict any shareholder to only vote for (or against) a certain resolution, if there is any violation of the relevant regulations or restrictions, any vote cast by the shareholder or his representative shall not be counted.

Article 89 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he/she may have the votes counted. If the chairman of the meeting fails to have the votes counted, any attending shareholder or proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted immediately.

Article 90 The resolutions of the shareholders' general meeting shall be announced promptly. Such announcement shall specify the number of shareholders present in person or by proxy at the meeting, the total number of voting shares held or represented by them, the percentage of such voting shares in relation to all the voting shares of the Company, the voting methods, the voting result of each proposal, and details of each resolution that is passed at the meeting.

Article 91 Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 92 If the proposal on election of directors and supervisors is passed at the general meeting, the terms of office of newly appointed directors or supervisors shall commence upon the passing of the election proposal at the general meeting.

Article 89 of the Guidelines on the Articles of Association of Listed Companies

Rule 14(4) of Appendix 3 to the Hong Kong Listing Rules

Article 90 of the Guidelines on the Articles of Association of Listed Companies

Article 91 of the Guidelines on the Articles of Association of Listed Companies

Article 92 of the Guidelines on the Articles of Association of Listed Companies

Article 93 of the Guidelines on the Articles of Association of Listed Companies

Article 93 Where a proposal in relation to the payment of cash dividends, stock dividend or the conversion of capital common reserve to share capital has been passed at a general meeting, the Company shall implement the specific plans within two months after the conclusion of the general meeting.

Article 94 of the Guidelines on the Articles of Association of Listed Companies

Article 94 The directors and senior management officers shall truthfully provide relevant information and materials to the board of supervisors or, in the absence thereof in a limited liability company, to the supervisors, and shall not hinder the board of supervisors or the supervisors from exercising their powers.

Article 150 of the Company Law

Article 95 At a shareholders' general meeting, the approach and procedures for nomination of directors and supervisors (except for staff representative supervisors) are as follows:

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- (1) shareholders individually or collectively holding 3% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the shareholders' general meeting about the candidates for directors and supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected.
- (2) within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, directors and supervisors may propose a list of recommended candidates for directors and supervisors, which shall be submitted to the Board of Directors and Board of Supervisors for approval. After the list of candidates for directors and supervisors is determined based on the examination by the Board of Directors and Board of Supervisors and the adoption of a resolution, it should be proposed in writing at a general meeting.
- (3) The Board of Directors and the Board of Supervisors shall provide shareholders with biographical details and basic information on the candidates for directors and supervisors.
- (4) in the shareholders' general meeting, voting for each candidate for a director and supervisor shall be taken separately.
- (5) in the case of ad hoc addition or replacement of any director or supervisor, the Board of Directors and the Board of Supervisors shall put forward a proposal to the general meeting for such election or replacement.

Chapter 5 Board of Directors

Section 1 Directors

Article 96 Directors of the Company shall be natural persons. A person may not serve as a director of the Company in each of the following circumstances:

- (1) persons with no or limited civil capacity;
- (2) persons who have been sentenced to criminal punishments due to corruption, bribery, trespass of property, misappropriation of property or damaging the socialist economic order, and less than five years have lapsed since the punishments are fully executed, or persons who have been deprived of political rights due to any criminal offense, and less than five years have lapsed since the punishments are fully executed;
- (3) persons who have served as a director, factory manager or manager of a company or enterprise that is bankrupt and liquidated, and is personally liable for the bankruptcy of the company or enterprise, and less than three years have elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise;
- (4) persons who have served as legal representatives of a company or enterprise that has its business license revoked and is ordered to close down due to violations of the law, and is personally liable for such punishment, and less than three years have elapsed since the date of revocation of the business license of the company or enterprise;
- (5) persons with a comparatively large amount of overdue debts;
- (6) persons who have been forbidden by the China Securities Regulatory Commission with a penalty to access the securities market and who are still in the period of penalty;
- (7) other contents as stipulated by the laws and administrative regulations or authorities regulations.

If an election or appointment of a Director is taken place in contravention of this Article, the said election, appointment or engagement shall be invalid. If a Director falls into any of the circumstances set forth in this Article during his term of office, the Company shall terminate his duties.

Article 146 of the Company Law

Article 95 of the Guidelines on the Articles of Association of Listed Companies

Article 97 Directors shall be elected or replaced at the shareholders' general meetings to hold for a term of 3 years. Upon maturity of the term of office, a director shall be eligible to offer himself/herself for re-election and re-appointment but the Independent Directors should not hold office for more than 9 consecutive years except for the other requirements of relevant law, regulation and listing rules of stock exchange of the place where the share of the Company was listed.

Articles 45 and 108 of the Company Law

Article 96 of the Guidelines on the Articles of Association of Listed Companies

If not otherwise provided by law, regulations or the laws governing the rules of the place where the shares of the Company are listed, any Director whose term of office has not expired may be removed by an ordinary resolution of the shareholders in general meeting before the expiry of his/her term of office, subject to compliance with the provisions of the relevant laws and administrative regulations (provided that no claim by such Director for damages pursuant to any contract shall be affected thereby).

Letter of Supplementary Opinions No.4

Rule 4(3) of Appendix 3 to the Hong Kong Listing Rules

The term of office of a director shall start from the date on which the said director assumes office to the expiry of the current term of the Board of Directors. A director whose term of office is to expire shall continue with his/her duties as a director before the newly elected director takes office, observing the applicable laws, administrative regulations, rules and regulations, and these Articles of Association.

The manager or other executives can be appointed as a Director on a concurrent basis. Directors holding a concurrent post as manager or other executive and directors acted by representatives of employees shall account for less than 50% of the members of the Board.

Article 98 Directors shall observe laws, administrative regulations and the Articles of Association, and fulfill the following obligations of honesty to the Company:

Articles 147 and 148 of the Company Law

Article 97 of the Guidelines on the Articles of Association of Listed Companies

- (1) not to abuse their powers to accept bribes or other unlawful income, and not to misappropriate the Company's properties;
- (2) not to misappropriate the Company's capital;
- (3) not to deposit the Company's assets or capital into accounts under their own name or the name of other individuals;

- (4) not to loan the Company's capital to others or provide guarantees in favor of others supported by the Company's properties in violation of the Articles of Association, without approval of the shareholders' general meeting or Board of Directors;
- (5) not to enter into contracts or deal with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;
- (6) not to use their position to procure business opportunities for themselves or others that should have otherwise been available to the Company or operate for their own benefits or manage on behalf of others businesses similar to that of the Company without approval of the shareholders' general meeting;
- (7) not to accept and possess commissions for transactions with the Company;
- (8) not to disclose any secret of the Company without permission;
- (9) not to use their connected relations to damage the interests of the Company;
- (10) any other obligations of honesty stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Earnings obtained by directors in violation of the provisions in this Article shall belong to the Company, and such directors shall be liable for compensation for any loss incurred to the Company.

Article 99 Directors shall observe laws, administrative regulations and the Articles of Association, and fulfill the following obligations of diligence to the Company:

- (1) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with national laws, administrative regulations and economic policies and are within the business scope specified in the business license;
- (2) to treat all shareholders impartially;

Article 147 of the Company Law

Article 98 of the Guidelines on the Articles of Association of Listed Companies

- (3) to keep informed of the business operations and management of the Company;
- (4) to sign written confirmations of the regular reports issued by the Company and to ensure the information disclosed by the Company is true, accurate and complete;
- (5) to honestly provide the Supervisory Committee with relevant information, and not to prevent the Supervisory Committee or supervisors from exercising their functions and powers;
- (6) any other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 100 If any director fails to attend in person or appoint other directors as his/her representative to attend meetings of the Board of Directors for two consecutive times, such director shall be deemed to have failed to perform his/her duties, and the Board of Directors shall propose to replace such director at the shareholders' general meeting.

Article 99 of the Guidelines on the Articles of Association of Listed Companies

Article 101 A director may resign before expiration of his/her term of office. The directors who resign shall submit to the Board of Directors a written report in relation to their resignation. The relevant information shall be disclosed within two days by the Board of Directors.

Article 100 of the Guidelines on the Articles of Association of Listed Companies

If the number of the members of the Board of Directors is less than the quorum due to the resignation of one or more directors, such former director(s) shall continue to perform the director's duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly-elected director(s) take office.

Rule 4(2) of Appendix 3 to the Hong Kong Listing Rules

Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his/her resignation report to the Board of Directors.

Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board of Directors appoints a new director to fill a casual vacancy, the appointed director should be subject to election by shareholders at the first general meeting after the appointment.

Any person appointed by the board of directors to fill a temporary vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election.

Article 102 A Director shall clear all transitional procedures with the Board of Directors on resignation or expiry of term and shall fulfil his/her fiduciary obligations against the Company and shareholders. The obligations shall not be dismissed after the expiry of term and remain effective within the reasonable period specified by the Articles of Association.

Article 101 of the Guidelines on the Articles of Association of Listed Companies

Article 103 No director shall act on behalf of the Company or the Board of Directors without the requirement of the Articles of Association or the lawful authorization of the Board of Directors. In the event that a director is acting in his/her own name, which may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such director shall state his/her stance and identity in advance.

Article 102 of the Guidelines on the Articles of Association of Listed Companies

Article 104 Any director who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties in the Company and causes losses to the Company shall be liable for compensation for any loss.

Article 149 of the Company Law

Article 103 of the Guidelines on the Articles of Association of Listed Companies

Article 105 Independent directors shall act in accordance with the laws, administrative regulations, the relevant provisions of the listing rules of the place(s) where the shares of the Company are listed.

Article 104 of the Guidelines on the Articles of Association of Listed Companies

Article 106 The Company shall have independent non-executive directors. Independent non-executive directors shall have the qualifications and independence required by laws and regulations and the Hong Kong Listing Rules. The Board of the Company shall consist of not less than one-third and not less than three independent non-executive directors, at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise. If an independent non-executive director fails to meet the independence criteria or is not suitable for performing his duties as an independent non-executive director, resulting in the Company's number of independent non-executive directors failing to meet the requirements of these Articles of Association, the Company shall make up for the number of independent non-executive directors as required. At least one of the Company's independent non-executive Directors is ordinarily resident in Hong Kong.

Article 6 of the Opinions on Regulated Operation and In-depth Reform

Rules 3.10 and 19A.18 of the Hong Kong Listing Rules

Section 2 Board of Directors

Article 107 The Company shall have a board of directors, directly responsible to the shareholders' general meeting. The board of directors shall consists of nine directors, including a chairman. The number of independent non-executive directors shall be no less than three and shall be one-third or more of the actual number of the board of directors.

Articles 45 and 108 of the Company Law

Articles 105 and 106 of the Guidelines on the Articles of Association of Listed Companies

Independent non-executive directors may report to the shareholders' general meeting, the securities regulatory authorities of the State Council and other related departments directly.

Articles 1 and 6 of the Opinions on Regulated Operation and In-depth Reform

General manager and other senior management may also concurrently act as director, the number of general manager and other senior management who hold the offices of director shall not be more than half of the total number of directors of the Company.

Rules 3.10 and 3.10A of the Hong Kong Listing Rules

Number of controlling shareholders' senior management who concurrently hold the offices of the chairman or the executive director of the Company shall not be more than two.

Directors are not required to hold shares of the Company.

Article 108 The Board of Directors shall exercise the following functions and powers:

- (1) to convene the shareholders' general meeting and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for the increase or decrease of the registered capital of the Company, the issue of bonds or other securities, and the listing;
- (7) to formulate proposals for material acquisition , repurchase of the Company's shares, and merger, demerger, dissolution or change of corporate form of the Company;
- (8) Within the scope of authority of the shareholders' general meeting, deciding on such issues as foreign investment, purchase of assets on sale, mortgage of assets, external guarantees, financing agency, associated transactions, external donations of the Company, etc;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to appoint or dismiss the Company's general manager, secretary of the Board of Directors, and other senior management officers, and to decide on the matters relating to his/her remuneration, reward and punishment; and to appoint or dismiss senior management officers, such as the deputy general manager and the chief financial officer of the Company pursuant to the nominations of the general manager, and to decide on the matters relating to his/her remuneration, reward and punishment;
- (11) to formulate the Company's basic management system;
- (12) to formulate proposals for amendment to the Articles of Association;
- (13) to manage the disclosure of information by the Company;

Article 46 of the Company Law

Article 107 of the Guidelines on the Articles of Association of Listed Companies,

Article 6 of the Opinions on Regulated Operation and In-depth Reform

- (14) to suggest the appointment or replacement of the accounting firm working for the Company to the shareholders' general meeting;
- (15) to receive reports from the general manager and reviewing his performance;
- (16) to decide on other major affairs of the Company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;
- (17) to exercise other functions and powers conferred by the laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed or these Articles

Except for the matters specified in Items (6), (7) and (12) or other listing rules which shall be passed by two-thirds or more of the directors, the board's resolutions in respect of any other aforesaid matters may be passed by half or more of all directors. Matters beyond the scope of authorization of the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

Resolutions in respect of connected transactions made by the Board of Directors shall not come into force unless it is signed by independent non-executive directors.

Article 109 The Board of the Company shall establish the Audit Committee, the Nomination Committee and the Remuneration Committee, and set up other special committees such as the Strategy Committee where necessary. The special committees shall be accountable to the Board and perform their duties in accordance with the Articles of Association and the authorization of the Board. The proposals shall be submitted to the Board for consideration and approval. All members of the special committees shall be Directors. Independent Directors shall be the majority and act as the convener of the Audit Committee, the Nomination Committee and the Remuneration Committee. The convener of the Audit Committee shall be an accounting professional. The Board is responsible for formulating the working procedures of the special committees and regulating the operation of the special committees. The Audit Committee shall consist of at least three members, all of whom shall be non-executive directors, one of whom shall be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise in compliance with the relevant requirements of the Hong Kong Listing Rules. The majority of the members of the Audit Committee shall be independent non-executive Directors and the chairman of the Audit Committee shall be an independent non-executive Director. The majority of the members of the Nomination Committee shall be independent non-executive Directors and the chairman shall be an independent non-executive Director. The majority of the members of the Remuneration Committee shall be independent non-executive Directors and the chairman of the Remuneration Committee shall be an independent non-executive Director.

Where laws, regulations and securities regulatory authorities in the place where the Company's shares are listed have other provisions, such provisions shall prevail.

Article 110 The board of directors shall submit a statement to the shareholders' general meeting regarding the non-standard audit opinion on the Company's financial report issued by the certified public accountants.

Article 111 The board of directors shall be responsible for the formulation of rules of procedure of the Board to ensure that the resolutions passed at the shareholders' general meeting are put into practice, to ensure a more productive operation of the board of directors, and to ensure that a scientific decision-making procedure is in place

Article 107 of the Guidelines on the Articles of Association of Listed Companies

Section B.3.1 of Part 2 of Appendix 14 to the Hong Kong Listing Rules

Section D.3.3 of Part 2 of Appendix 14 to the Hong Kong Listing Rules

Section E.1.2 of Part 2 of Appendix 14 to the Hong Kong Listing Rules

Article 108 of the Guidelines on the Articles of Association of Listed Companies

Article 109 of the Guidelines on the Articles of Association of Listed Companies

Articles 112 The Board shall determine the scope of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, etc., and establish strict examination and decision-making procedures; major investment projects shall be assessed by relevant experts and professionals engaged for this purpose and proposed to the shareholders' general meeting for approval.

Article 110 of the Guidelines on the Articles of Association of Listed Companies

Article 113 The chairman shall be elected and removed by a majority of directors. The term of office of the chairman shall be three years, renewable upon re-election and re-appointment.

Article 109 of the Company Law

Article 111 of the Guidelines on the Articles of Association of Listed Companies

Article 114 The chairman of the Board of Directors is entitled to the following functions and powers:

Article 109 of the Company Law

- (1) to preside over shareholders' general meetings and to convene and preside over the board meetings;
- (2) to supervise and check on the implementation of resolutions passed at the meeting of the Board of Directors;
- (3) to sign share certificates, bonds and other marketable securities of the Company;
- (4) to sign important documents of the Board of Directors and other documents that shall be signed by the legal representative of the Company and to exercise the authorities of legal representatives;
- (5) 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 post-event reports to the Board of Directors after such event occurs, in the event of force majeure or an emergency in which it is impossible to convene a board meeting;
- (6) to define the systems necessary for the operation of the Board of Directors, and coordinate its operation;

Articles 112 and 113 of the Guidelines on the Articles of Association of Listed Companies

- (7) to hear regular and non-regular performance reports from the Company's senior management officers, and to provide the Board of Directors with steering comments on the implementation of board resolutions;
- (8) to nominate a candidate for the general manager and the secretary to the Board of Directors of the Company;
- (9) to propose the convening of an extraordinary meeting of the Board of Directors;
- (10) to exercise any other functions and powers conferred by laws, regulations, the Articles of Association or the Board of Directors.

In the event that the chairman of the Board of Directors is unable to perform his/her duties, a director shall be elected jointly by more than half of the directors to perform such duties.

The Board of Directors may, if necessary, authorize the chairman of the Board of Directors to exercise part of the powers of the Board of Directors when it is in recess.

Article 115 The Board of Directors shall meet regularly and the meetings of the Board of Directors shall be held at least four times every year and quarterly, and convened by the chairman of the Board of Directors. A 14 days' (excluding the day when the meeting is convened) prior written notice for convening the meeting shall be given to all directors and supervisors.

Article 110 of the Company Law

Articles 114 and 115 of the Guidelines on the Articles of Association of Listed Companies

Shareholders representing more than one tenth of the voting rights and more than one third of the directors and the Board of Supervisors may propose an extraordinary Board meeting. The chairman shall call and chair the Board meeting within ten days after receiving the proposal.

Rules C5.1 and C5.3 of Part 2 of Appendix 14 to the Hong Kong Listing Rules

Article 116 To hold regular meetings and extraordinary meetings of the Board, a written notice of the meeting shall be delivered to all directors, supervisors, the secretary to the Board and the general manager by email, post, fax or person within fourteen days and three days in advance respectively. If not delivered by hand, the delivery shall be confirmed by calls and relevant records shall be made.

Article 116 of the Guidelines on the Articles of Association of Listed Companies

Rules C5.3 and C5.8 of Part 2 of Appendix 14 to the Hong Kong Listing Rules

Where an extraordinary board meeting needs to be convened in emergency, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

The meeting notice shall be deemed to have been delivered to such director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to, or at, his/her arrival at the meeting.

Article 117 The notice of the Board meeting shall include the following:

Article 117 of the Guidelines on the Articles of Association of Listed Companies

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) subject matter and topic;
- (4) date of issuance of notice.

Article 118 The board meeting may not be held unless a majority of the directors are present.

Article 111 of the Company Law

Each director has one vote. Except for provided in laws, administrative regulations and the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors.

Article 118 of the Guidelines on the Articles of Association of Listed Companies

Article 119 In the event that a director is connected with an enterprise involved in a resolution of the Board of Directors, he/she may not exercise the right to vote on the resolution, nor may he/she exercise the right to vote on behalf of other directors. The board meeting can be held with the attendance of more than half of the unrelated directors, and resolutions made at the board meeting shall be approved by more than half of the unrelated directors. If the number of unrelated directors present at the board meeting is less than three, the matter shall be submitted to the company's general meeting for consideration.

Article 119 of the Guidelines on the Articles of Association of Listed Companies

Article 120 The Board of Directors may hold a meeting on site, by countersigns or by other means recognized by entire directors. If a meeting of the Board of Directors is held on site, the venue may use telephone, video and other methods to facilitate directors' participation in the meeting. Directors who participate in the meeting by the above means are deemed to have attended the on-site meeting.

Article 120 of the Guidelines on the Articles of Association of Listed Companies

Article 121 A director shall attend the board meetings in person. If a director is not able to attend the meeting for any reasons, he/she may appoint in writing other directors to attend the meeting on his/her behalf. A proxy form shall state the name of the proxy, the authority of the proxy, the scope of authorization and the period of validity and also be signed or affixed by the appointer.

Article 124 of the Company Law

Article 121 of the Guidelines on the Articles of Association of Listed Companies

The appointed director attending the meeting shall only exercise the rights within the scope of authorization. Should a director neither attend a board meeting nor appoint representative to attend on his/her behalf, the said director shall be deemed to have waived his/her right to vote at the meeting.

Article 122 Any material matters to be decided by the Board of Directors must be proceeded strictly according to specified procedures. A notice shall be given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information. When one-fourth or more of directors or two or more of independent non-executive directors consider that the information and materials of the matters are insufficient or, they are unable to make a decision on the matters by other reasons, they may jointly propose to postpone the board meeting or delay the discussion of certain matters to be resolved in the board meeting, and the Board of Directors shall adopt the relevant proposal.

Articles 3 and 6 of the Opinions on Regulated Operation and In-depth Reform

Resolutions in respect of connected transactions of the Company made by the Board of Directors shall not come into force unless it is signed by independent non-executive directors.

Article 123 The Board of Directors may approve the written proposals in lieu of convening meetings of the Board of Directors, but the draft of such proposals shall be delivered to each director through personal delivery, post, fax or e-mail. Such proposal will be passed as a resolution of the Board of Directors, only after it has been delivered to all directors by the Board of Directors, and signed and approved by the required quorum of the directors for decision-making and the signed document for approving such proposal has been delivered to the secretary to the Board of Directors by one of the aforesaid means. Such resolution shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

Article 120 of the Guidelines on the Articles of Association of Listed Companies

Article 124 The Board of Directors shall keep minutes of decisions on matters discussed at meetings. The attending directors and the minutes taker shall sign on the minutes of such meeting. As the Company's files, the board meeting minutes shall be kept for a period of no less than 10 years.

Article 122 of the Guidelines on the Articles of Association of Listed Companies

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

Article 123 of the Guidelines on the Articles of Association of Listed Companies

- (1) the date, venue and convener's name of the meeting;
- (2) names of directors present at the meeting and directors (proxies) present at such meeting on behalf of other directors;
- (3) agenda of the meeting;
- (4) summary of points raised by directors;
- (5) manner and result of voting on each matter resolved (and the voting results shall set out the number of votes for, against or abstained a particular resolution).

Chapter 6 General Manager and Other Senior Management Officers

Article 126 The Company shall have one general manager who shall be appointed or removed by the Board of Directors, several deputy general managers who shall be nominated by the general manager and appointed or removed by the Board of Directors. The general manager, deputy general managers, assistant general manager, financial controller and secretary of the board of directors of the Company are the senior management officers of the Company. A director may serve concurrently as general manager, deputy general manager or other senior management officers.

Article 124 of the Company Law

Article 124 of the Guidelines on the Articles of Association of Listed Companies

Article 127 The circumstances of disqualification for directors prescribed in Article 96 of these Articles of Association shall be applicable to senior management officers. Provisions regarding the duty of fidelity of directors under Article 98 and the duty of diligence of directors under items (4), (5) and (6) of Article 99 hereof shall be applicable to senior management officers.

Article 125 of the Guidelines on the Articles of Association of Listed Companies

Article 128 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management officer of the Company. The senior management officers of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

Article 126 of the Guidelines on the Articles of Association of Listed Companies

Article 129 The general manager shall serve a term of three years, and may be re-appointed for successive terms.

Article 127 of the Guidelines on the Articles of Association of Listed Companies

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

Article 128 of the Guidelines on the Articles of Association of Listed Companies

- (1) to be in charge of the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
- (2) to organize the implementation of the Company's annual business plans and investment plans;
- (3) to draft the Company's annual financial budgets and final accounts, and to put forward the proposal to the Board of Directors;

- (4) to draft the Company's basic management system and the plan for establishment of the Company's internal management organizations;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors the employment and dismissal of deputy general managers and other senior management officers such as chief financial officer;
- (7) to employ and dismiss managerial personnel and general staff other than those to be employed and dismissed by the Board of Directors;
- (8) to propose the convening of extraordinary board meetings;
- (9) to decide on other matters of the Company within the scope of the authority of the Board of Directors;
- (10) to decide on such projects as investment, acquisition or disposal and financing which do not need to be decided by the Board of Directors or the shareholders' general meeting;
- (11) other functions and powers as conferred by these Articles of Association and the Board of Directors.

Senior management officers other than the general manager shall assist the general manager in his/her work and may exercise part of the functions and powers entrusted by the general manager.

The general manager shall attend meetings of the Board of Directors and, if not a director, shall not have voting right thereat.

Article 131 The general manager shall formulate working rules of the general manager, and shall be implemented after being approved by the board of directors.

Article 129 of the Guidelines on the Articles of Association of Listed Companies

Article 132 The general manager's working rules include the following contents:

Article 130 of the Guidelines on the Articles of Association of Listed Companies

- (1) conditions, procedures and participants of the general manager's meeting;
- (2) respective responsibilities and work allocation of the general manager and other senior management officers of the Company;
- (3) use of funds and assets of the Company, scope of authorization to enter into material contracts and reporting policies regarding the board of directors and the board of supervisors;
- (4) other matters which the board of directors deems necessary.

Article 133 The general manager may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be specified in the employment contract concluded by the general manager and the Company.

Article 131 of the Guidelines on the Articles of Association of Listed Companies

Article 134 The Company shall have a secretary to the Board of Directors. He/she shall be responsible for the preparation of the Company's general meetings and board meetings, keeping of documents, management of the Company's shareholder information, handling of information disclosure matters, etc.

Article 123 of the Company Law

Article 133 of the Guidelines on the Articles of Association of Listed Companies

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

Article 135 The secretary to the Board of Directors of the Company shall be a natural person with the requisite professional knowledge and experience. His/her major duties and responsibilities include:

Article 123 of the Company Law

Article 133 of the Guidelines on the Articles of Association of Listed Companies

- (1) to ensure that the Company has complete organizational documents and records; to keep and manage shareholder information; to assist the directors in addressing the routine tasks of the Board of Directors;

- (2) to ensure the proper maintenance of the Company's register of shareholders, and to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;
- (3) as the contact person of the Company with the securities regulatory authorities, to be responsible for organizing the preparation and prompt submission of reports and documents required by the regulatory authorities and ensuring that the reports and documents required by the competent authorities are prepared and submitted by the Company according to law; to be responsible for accepting and organizing the implementation of any assignment from the regulatory authorities;
- (4) to organize and arrange for the board meetings and shareholders' general meetings, prepare meeting materials, handle relevant meeting affairs, be responsible for keeping minutes of the meetings and ensure their accuracy, keep meeting documents and minutes and take initiative to keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported and relevant proposals shall be put forward to the Board of Directors;
- (5) to be responsible for coordinating and organizing the Company's disclosure of information, to establish and improve the information disclosure system, to participate in all of the Company's meetings involving the disclosure of information, and to keep informed of the Company's material operation decisions and related information in a timely manner;
- (6) to be responsible for keeping price-sensitive information of the Company confidential and to work out effective and practical confidentiality systems and measures. Where there is any disclosure of price-sensitive information of the Company due to any reason, necessary remedial measures shall be taken; timely explanation and clarification shall be made; and relevant reports shall be submitted to the securities regulatory authorities;
- (7) to deal with and coordinate the Company's public relationship with related regulatory authorities, intermediaries and news media;

- (8) to coordinate the provision of relevant information necessary for the Company's Board of Supervisors and other auditing authorities to discharge their duties; and to assist in carrying out investigations on the performance of the chief financial officer, directors and the general manager of the Company of their fiduciary duties;
- (9) to exercise other functions and powers as conferred by the Board of Directors, as well as other functions and powers as required by laws and regulations, and the stock exchange of the place where the Company's shares are listed.

Article 136 A director or other senior management officers of the Company may concurrently act as secretary to the Board of Directors. The accountant(s) of the accounting firm which has been appointed by the Company and the management officers of controlling shareholders shall not concurrently act as secretary to the Board of Directors.

Article 1 of the Opinions on Regulated Operation and In-depth Reform

Where the office of secretary to the Board of Directors is held concurrently by a director and an act is required to be done by a director and the secretary to the Board of Directors separately, the person who holds the offices of director and secretary to the Board of Directors may not perform the act in a dual capacity.

Article 137 The senior management officer shall be liable for the compensation to the Company for losses caused should he/she violate the laws, administrative regulations, departmental rules or these Articles of Association when performing the duties.

Article 149 of the Company Law

Article 134 of the Guidelines on the Articles of Association of Listed Companies

Article 138 Senior management officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior management officers of the Company shall be liable for compensation in accordance with relevant laws if they fail to faithfully perform their duties or breach their fiduciary duty and cause damage to the interests of the Company and the shareholders of public shares.

Articles 147 and 149 of the Company Law

Article 135 of the Guidelines on the Articles of Association of Listed Companies

Chapter 7 Board of Supervisors

Section 1 Supervisors

Article 139 The circumstances of disqualification for directors prescribed in Article 96 of these Articles of Association shall be applicable to supervisors. Directors, the general manager and senior management officers shall not act concurrently as supervisors.

Article 136 of the Guidelines on the Articles of Association of Listed Companies

Article 140 The supervisors shall observe the laws, administrative regulations and these Articles of Association. They shall perform the duties of fidelity and diligence to the Company, and shall not accept any bribery or other illegal income by using his/her powers and position, or misappropriate the property of the Company.

Article 147 of the Company Law

Article 137 of the Guidelines on the Articles of Association of Listed Companies

Article 141 The Board of Supervisors shall be composed of three supervisors, one of whom shall act as the chairman of the Board of Supervisors. The term of office of supervisors shall be three years, renewable upon re-election and re-appointment.

Articles 117 and 52 of the Company Law

Article 138 of the Guidelines on the Articles of Association of Listed Companies

The appointment and dismissal of the chairman of the Board of Supervisors shall be subject to the approval of two-thirds or more of its members by voting.

Letter of Supplementary Opinions No.5

Article 142 Where the tenure of supervisors expires and re-election has not yet been made in a timely manner, or where a supervisor resigns during his/her tenure resulting in the number of supervisors falling below the necessary quorum of meeting of the board of supervisors, the original supervisors shall (before the re-election of the new supervisors) continue to perform their duties as supervisors pursuant to the provisions of laws, administrative regulations and these Articles of Association.

Article 139 of the Guidelines on the Articles of Association of Listed Companies

Article 143 Supervisors shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

Article 140 of the Guidelines on the Articles of Association of Listed Companies

Article 144 Supervisors shall attend board meetings and may raise queries or proposals regarding matters resolved at such meetings.

Article 141 of the Guidelines on the Articles of Association of Listed Companies

Article 145 Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

Article 142 of the Guidelines on the Articles of Association of Listed Companies

Article 146 If supervisors have violated the provisions of any laws, administrative regulations, departmental rules or these Articles of Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

Article 149 of the Company Law

Article 143 of the Guidelines on the Articles of Association of Listed Companies

Section 2 Board of Supervisors

Article 147 The Company shall have a Board of Supervisors, which shall comprise of two shareholder representatives and one employee representative and shall have one chairman, of which, the employee representative supervisor shall be elected by the employees' representatives conference and employees' general meeting of the Company or through other democratic ways.

Article 117 of the Company Law

Article 144 of the Guidelines on the Articles of Association of Listed Companies

The Chairman of the Board of Supervisors shall convene and preside over the meetings of the Board of Supervisors. Where the Chairman of the Board of Supervisors is incapable of performing or fails to perform his/her duties, a supervisor elected by not less than half of the supervisors shall convene and preside over Board of Supervisors meetings.

Article 7 of the Opinions on Regulated Operation and In-depth Reform

Article 148 The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

Articles 53 and 118 of the Company Law

- (1) to monitor any acts of directors, the general manager and other senior management officers in their performance of duties that violate the laws, administrative regulations and the Articles of Association, and to propose dismissal of any directors and senior management officers who violate the laws, administrative regulations, the Articles of Association or any resolutions of the shareholders' general meetings;
- (2) to demand rectification from a director and other senior management officers when the acts of such persons prejudice the Company's interest;
- (3) to examine the Company's financial affairs;
- (4) to review financial information such as financial reports, business reports and profit distribution schemes to be submitted by the Board of Directors to the shareholders' general meetings;

Article 145 of the Guidelines on the Articles of Association of Listed Companies

Article 7 of the Opinions on Regulated Operation and In-depth Reform

- (5) to review regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;
- (6) to propose to convene an extraordinary general meeting; and to convene and chair the general meeting in case the Board of Directors fails to fulfill the obligations prescribed by the Company Law to convene and chair the general meeting;
- (7) to submit proposals to the shareholders' general meeting;
- (8) to institute a suit to the directors or senior management officers according to Article 151 of the Company Law;
- (9) to conduct an investigation if an abnormality in the Company's operating conditions is discovered; if necessary, professional organizations such as accounting firms and law firms can be engaged to assist in the work, at the Company's expense;
- (10) other functions and powers as provided for in the laws, administrative regulations and the Articles of Association.

Supervisors shall attend meetings of the Board of Directors.

Article 149 The Board of Supervisors shall convene at least one meeting every six months, which shall be convened by the chairman of the Board of Supervisors.

Article 117 of the Company Law

Supervisors may propose to convene extraordinary meetings of the Board of Supervisors.

Article 146 of the Guidelines on the Articles of Association of Listed Companies

In convening the regular or extraordinary meetings of the Board of Supervisors, the staff member of the Board of Supervisors shall give a written notice of the meeting to all supervisors by hand, facsimile, email or other means within ten days and three days in advance respectively. If a notice is not given by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of urgency and an extraordinary meeting of the Board of Supervisors is required to be convened as soon as possible, it is not subject to the above time limit of notification and the above manner limit of notification but a reasonable notice for the meeting shall be given thereafter. The notice of such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting gives relevant explanation at the meeting.

Article 150 The method for conducting businesses at the meetings of the Board of Supervisors: any voting at the Board of Supervisors shall be made on a one-person-one-vote basis in the manner of open and written ballot.

Articles 146 and 147 of the Guidelines on the Articles of Association of Listed Companies

The voting procedure: a supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his/her intention by choosing one of the above. The chairman of the meeting shall request each supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, refusal to do so shall be regarded as having abstained from voting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

Letter of Supplementary Opinions No.6

Resolutions of the Board of Supervisors shall be passed by the affirmative votes of two-thirds or more of the members of the Board of Supervisors.

The Board of Supervisors shall record the decisions on matters discussed in the minutes, and supervisors who attended the meeting shall sign the minutes of the meeting. A supervisor is entitled to request for some descriptive record to be made with regard to his/her speech in the meeting. The minutes of the meeting of the Board of Supervisors shall be kept in the domicile of the Company.

When voting by way of telecommunications, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the office of the Board of Supervisors. Supervisors shall not merely specify their voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by way of telecommunications shall submit the signed original copy of the voting paper to the Board of Supervisors within the period stipulated in the meeting notice.

Article 151 The board of supervisors shall keep minutes of its decisions on the matters discussed at the meeting. Supervisors attending the meeting shall sign their names on the minutes of the meeting.

A supervisor is entitled to request the points made by him/her as expressed in his/her discussion to be recorded as representations made in the meeting. As the Company's files, the minutes of the meetings of the board of supervisors shall be kept for a period of no less than 10 years.

Article 152 A notice of meeting of the board of supervisors shall include the following:

- (1) date and venue of meeting and duration of the meeting;
- (2) reasons and agenda;
- (3) date of issue of the notice.

Article 55 of the Company Law

Article 148 of the Guidelines on the Articles of Association of Listed Companies

Article 149 of the Guidelines on the Articles of Association of Listed Companies

Chapter 8 Party Organization

Article 153 The Company shall establish the Communist Party Branch Committee, the establishment and term of which shall be implemented in accordance with relevant documents of the Party. The posts of secretary, deputy secretary and committee members of the Communist Party Branch Committee shall be set up subject to the approval of the Party organization at the higher level, and shall be elected in accordance with the legal provisions of the Party such as the Constitution of the Communist Party of China (hereinafter referred to the "Party Constitution") and the relevant provisions governing the selection and appointment of enterprise leaders. The Communist Party Branch Committee of the Company shall consist of 5 members, including one secretary and one deputy secretary.

The Communist Party Branch Committee shall establish a management system for tenure goals and annual work goals. It shall strictly practice democratic centralism with standardized deliberation and decision-making procedures. The secretary of the committee shall perform the duties of the "first person" responsible for comprehensively and strictly governing the Party, and members of the committee shall fulfill the concept of "one post with dual responsibilities".

Article 154 The Company shall adopt a “Bidirectional Access, Cross appointment” leadership mechanism. Members of the Communist Party Branch Committee who meet criteria may join the Board of Directors, the Board of Supervisors or senior management via process stipulated by laws and regulations, and vice versa.

Article 155 The Communist Party Branch of the Company shall perform the following duties and responsibilities:

- (1) to guarantee and supervise the implementation of policies and guidelines of the Party and the State in the Company, and ensure the socialist direction of the Company;
- (2) to participate in the decision-making of major issues of the Company, advise on major issues related to the reform, development and stability of the Company, and promote the implementation of major decision-making of the Company;
- (3) to support the shareholders’ general meeting, Board of Directors, Board of Supervisors and management to perform their duties and powers according to law, form a scientific and democratic decision-making mechanism for checks and balances of power and coordination of operations to promote scientific decision-making and achieve the preservation and appreciation of value of state-owned assets;
- (4) to implement Communist Party Branch’s subject responsibility and Discipline Inspection Committee’s supervision responsibility regarding construction of an uncorrupted party, strictly implement the Anti-corruption Self-discipline Code of Conduct of the Communist Party of China, Internal Supervision Provisions of the CPC, Disciplinary Sanction Provisions of the CPC and other rules and regulations, strengthen the management of and supervision over key leaders, key positions and major issues, establish and improve the power supervision mechanism, and improve the effectiveness of supervision;
- (5) to establish and improve the democratic management system in the form of employees’ representatives conference, wholeheartedly rely on the staff and workers, support the work of the employees’ representatives conference, promote publicity of the factory affairs and business, implement the staff and workers’ right to know, to participate, to express and to supervise, persist on and improve the employee director system and employee supervisor system, and encourage employee representatives to participate in corporate governance in an orderly manner;

- (6) to strengthen the self-construction of Party organizations, guide the ideological and political work, the building of spiritual civilization, and mass organizations such as labor unions and the Communist Youth League, carry out unified front work and strengthen the construction of corporate culture;
- (7) other duties that shall be performed by the Communist Party Branch.

Article 156 Members of the Discipline Inspection Committee of the Communist Party Branch shall perform the following duties and responsibilities:

- (1) To assist the Communist Party Branch in strengthening Party style construction, organize and coordinate anti-corruption work, provide advices for the Communist Party Branch, report work status to the Communist Party Branch, grab the task decomposition as well as strengthen supervision and inspection so as to facilitate the implementation of the work;
- (2) to consistently maintain the Party Constitution and other regulations of the Party, strictly execute disciplines with respect to politics, the organisation, the integrity, the mass, the work and the life and ensure the serious restrictions of disciplines;
- (3) To strengthen the supervision and inspection of the construction of style of work, focus on “formalism, bureaucratism, hedonism and extravagance” problems and accomplish work of supervision, inspection and accountability around the implementation of the principles of “Eight Regulations” of the central government and the specific regulations of the provincial Communist Party Committee;
- (4) to establish a comprehensive system of correspondence and interviews, accountability, etc.;
- (5) to strengthen self-construction and try to establish discipline inspection and supervision cadre team with high politic awareness, in-depth profession knowledge and forceful work-style;
- (6) other duties and responsibilities that shall be performed by the Discipline Inspection Committee.

Article 157 The Communist Party Branch of the Company shall participate in the decision-making of the following matters:

- (1) the Company's implementation of the Party's policy route, national laws and regulations, and superior's major decisions;
- (2) the Company's development strategy and mid-to-long-term development plan;
- (3) the Company's operation and management policy;
- (4) principles and directional issues of the Company, such as asset restructuring, transfer of property rights, capital operations, and substantial investment;
- (5) formulation and revision of important reform plans, regulations, rules and systems of the Company;
- (6) material matters related to the interests of the staff which are required to be submitted to the employees' representatives conference for discussion;
- (7) important measures taken by the Company in matters involving the political and social responsibilities of the Company such as significant production safety and maintenance of stability;
- (8) material matters to be referred and reported to the higher authorities;
- (9) other matters, the decision of which shall involve the Communist Party Branch.

Article 158 The Communist Party Branch of the Company shall actively organize and implement the Company's major decisions and deployment, conduct publicity, motivation and cohesion work, unite and lead all Party members and employees to unify their thoughts and actions into the Company's strategic development goals and major decisions and deployments to facilitate the reform and development of the Company.

Article 159 The Communist Party Branch of the Company shall strengthen the construction of grass-root Party organizations so as to ensure full coverage of the organization and work of the Party by closely focusing on production and operation. It shall establish and complete systems for regular work review and appraisal for Party building, reporting on annual Party building works to the higher-level Party organization, etc. It shall maintain a serious political life within the Party and strictly implement the systems of “three meetings and one class”, meetings for democratic life and organizational life, democratic consultation and democratic appraisal of Party members and thematic Party day, and promote the normalization and institutionalization of the learning and education model of “two studies and one practicing”. It shall strengthen daily education for Party members and duly perform the work on the development of Party members. It shall conduct innovative organizational activities to give full play to the role of grassroots organizations as strongholds and the role of Party members as pioneers.

Chapter 9 Financial and Accounting System, Allocation of Profit and Audit

Part I Financial and Accounting System

Article 160 The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

Article 163 of the Company Law

Article 150 of the Guidelines on the Articles of Association of Listed Companies

Article 161 The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.

Article 164 of the Company Law

The Company shall submit and disclose the annual report to the relevant securities regulatory authorities within four months from the end of each accounting year, and an interim report to the relevant securities regulatory authorities within two months from the end of the first half of each accounting year.

Article 151 of the Guidelines on the Articles of Association of Listed Companies

The aforesaid annual report and interim report shall be prepared in accordance with relevant laws, administrative regulations and the requirements of the relevant securities regulatory authorities.

Article 162 The Company shall not maintain books of accounts other than those provided for by law. The Company's assets shall not be deposited in an account maintained in the name of any individual.

Article 171 of the Company Law

Article 152 of the Guidelines on the Articles of Association of Listed Companies

Article 163 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory common reserve fund. When the cumulated amount of the statutory common reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Article 166 of the Company Law

Article 153 of the Guidelines on the Articles of Association of Listed Companies

Where the statutory common reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory common reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory common reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' general meeting, also allocate funds from the after-tax profits to the discretionary common reserve fund.

After making up for the losses and making contributions to the common reserve fund, any remaining after-tax profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the general meeting.

If the shareholders' general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory common reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

No profits shall be distributed in respect of the Company's shares held by the Company.

Article 164 The Company may distribute dividends in the form of (or a combination of both):

- (1) cash;
- (2) shares.

Article 165 The cash dividends and other amount paid by the Company to the holders of domestic shares shall be paid in Renminbi. The cash dividends and other amount paid by the Company to the holders of overseas-listed foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of overseas-listed foreign shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

Unless otherwise provided in the relevant laws and administrative regulations, if the cash dividends and other payments are to be paid in Hong Kong dollars, the Company shall adopt the average mid-price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other payments are declared as the exchange rate therefor.

Article 166 The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

Where the statutory common reserve fund is converted into capital, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

Article 167 After the resolution on the profit distribution plan is made at a general meeting of the Company, the Board of the Company shall complete the distribution of dividends (or shares) within two months from the date of the general meeting.

Article 168 The Company shall appoint a payment receiving agent for holders of overseas-listed foreign shares. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas-listed foreign shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

Article 153 of the Guidelines on the Articles of Association of Listed Companies

Articles 153 and 156 of the Guidelines on the Articles of Association of Listed Companies

Article 168 of the Company Law and

Article 154 of the Guidelines on the Articles of Association of Listed Companies

Article 155 of the Guidelines on the Articles of Association of Listed Companies

Rule 19A.51 of the Hong Kong Listing Rules Part

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

Part II Internal Auditing

Article 169 The Company shall implement an internal audit system, and shall engage full-time auditors to carry out internal audit supervision of the Company's financial revenues and expenditures and economic activities.

Article 157 of the Guidelines on the Articles of Association of Listed Companies

Article 170 The internal audit system of the Company and the duties of the auditors shall be confirmed by approval of the Board. The person in charge of the audit shall be responsible to the Board and report on his/her work.

Article 158 of the Guidelines on the Articles of Association of Listed Companies

Part III Appointment of Accounting Firms

Article 171 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the accounting financial statements, verify the net assets and provide other related consulting services. The accounting firm is appointed for one year with the possibility of renewal.

Article 159 of the Guidelines on the Articles of Association of Listed Companies

Article 172 The appointment, dismissal, compensation and audit fees of the Company's accounting firm shall be approved by a general meeting, and the Board shall not appoint an accounting firm prior to the decision of the shareholders in a general meeting.

Articles 160 and 162 of the Guidelines on the Articles of Association of Listed Companies

Letter of Supplementary Opinions No.9

Rule 17 of Appendix 3 to the Hong Kong Listing Rules

Article 173 The Company shall provide the accounting firm appointed with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. The Company shall not refuse to provide, or conceal or give false information.

Article 170 of the Company Law

Article 161 of the Guidelines on the Articles of Association of Listed Companies

Article 174 If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm 30 days in advance. When the Company's shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its opinion.

Article 169 of the Company Law

Article 163 of the Guidelines on the Articles of Association of Listed Companies

In the event that the accounting firm resigns, it shall explain to the general meeting that there are no improper circumstances.

Letter of Supplementary Opinions No.10

Chapter 10 Notices and Announcements

Part I Notices

Article 175 Notices of the Company may be delivered by the following means:

Article 164 of the Guidelines on the Articles of Association of Listed Companies

(1) by designated person;

(2) by mail;

Rules 2.07A(3), 2.07B, and 2.07C(1) of the Hong Kong Listing Rules

(3) by fax or electronic mail;

(4) by way of publishing information on the website of the Company and the website designated by the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed;

(5) by way of announcement;

(6) by any other means as agreed by the Company or the addressee or as accepted by the addressee after the notice is received;

(7) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in the Articles of Association.

Unless the context otherwise specifies, the “announcement” referred to in the Articles of Association shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and the Articles of Association, the publication of an announcement in newspapers in the PRC, and such newspapers shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authority of the State Council. For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the Company’s website and the website of the Hong Kong Stock Exchange in accordance with the local listing rules. The announcement shall also be published on the Company’s website. In addition, except as otherwise provided in these Articles, a notice must be served by hand or by prepaid letter sent through the post at the address recorded in the register of members of each overseas listed foreign equity shareholder, so as to give the member sufficient notice and time to exercise his rights or to act in accordance with the terms of the notice.

Shareholders of the Company’s overseas listed foreign shares may elect in writing to receive the corporate communications required to be sent by the Company to its shareholders either electronically or by post, and may choose to receive only the Chinese version or the English version, or both the Chinese and English versions. Shareholders of the Company’s overseas listed foreign shares may also modify the manner and language in which they receive the foregoing information by giving reasonable advance written notice to the Company and in accordance with appropriate procedures.

Shareholders or directors who want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the Articles of Association which specifies providing and/or dispatching written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Listing Rules of the Hong Kong Stock Exchange, subject to compliance with the relevant laws and regulations and the Listing Rules of the Hong Kong Stock Exchange as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Listing Rules of the Hong Kong Stock Exchange.

Article 176 Where a notice is given by the Company by way of announcement, the notice shall be deemed to have been received by all relevant persons once it has been announced.

Article 165 of the Guidelines on the Articles of Association of Listed Companies

Article 177 Unless otherwise stated in the Articles of Association, the various ways of sending notices specified in Article 175 shall apply to the notices of shareholders' general meetings, board meetings and meetings of the Board of Supervisors convened by the Company.

Articles 166, 167 and 168 of the Guidelines on the Articles of Association of Listed Companies

Article 178 In respect of the date of receiving a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the addressee on the note of receipt. If the notice is delivered by post, it shall be deemed to be received after 48 hours from the date upon which the post office receives the notice. If the notice is delivered by way of fax or electronic mail or by way of publishing information on websites, it shall be deemed to be received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published. Such announcement shall be published on the newspapers that satisfy the relevant requirements.

Article 169 of the Guidelines on the Articles of Association of Listed Companies

Article 179 In the event that the listing rules of the stock exchange where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Article 180 The accidental omission to send notice of a meeting to, or the non-receipt of notice of a meeting by, a person entitled to receive such notice, shall not invalidate the meeting and the resolutions made at the meeting.

Article 170 of the Guidelines on the Articles of Association of Listed Companies

Part II Announcement

Article 181 The media designated by the Company to publish announcements of the Company and other information required to be disclosed shall comply with the requirements of the regulatory rules of the place where the Company's shares are listed.

Article 171 of the Guidelines on the Articles of Association of Listed Companies

Chapter 11 Merger, Demergers, Capital Increases, Capital Reductions, Dissolutions And Liquidations

Part I Merger, Demergers, Capital Increases and Capital Reductions

Article 182 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Articles 172 and 173 of the Company Law

A company that absorbs another company is a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to form a new company is a de novo merger and the merging parties are dissolved.

Articles 172, 173 and 174 of the Guidelines on the Articles of Association of Listed Companies

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspaper within 30 days from the date of such resolution.

Within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if the notice has not been received, creditors may request the Company to settle the debts or provide corresponding guarantees.

Upon the merger, creditors' right or indebtedness of each of the merged parties shall be assumed by the Company which survives the merger or the newly established company resulting from the merger.

Article 183 In the event of a demerger of the Company, its assets shall be divided up accordingly.

Articles 175 and 176 of the Company Law

In the event of a demerger, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on demerger and shall publish an announcement in the newspaper within 30 days.

Articles 175 and 176 of the Guidelines on the Articles of Association of Listed Companies

Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the demerger, the succeeded companies after the demerger shall jointly assume the indebtedness of the Company which has been incurred before such demerger.

Article 184 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

Article 177 of the Company Law

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall publish an announcement in a newspaper within 30 days. A creditor has the right within 30 days from the date it receives the above notice or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debts.

Article 177 of the Guidelines on the Articles of Association of Listed Companies

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

Article 185 The Company shall, in accordance with laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or demerger. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

Article 179 of the Company Law

Article 178 of the Guidelines on the Articles of Association of Listed Companies

Should the Company increases or decreases its registered capital, it should register the change with the company registration authority in accordance with the law.

Part II Dissolution and Liquidation of the Company

Article 186 In any of the following circumstances, the Company shall be dissolved:

Articles 180 and 182 of the Company Law

- (1) the term of operation specified in the Company's Articles of Association expires or any of the other causes of dissolution specified in the Company's Articles of Association occurs;
- (2) special resolution on dissolution is passed by shareholders at a general meeting;
- (3) dissolution is necessary due to a merger or demerger of the Company;
- (4) the Company's business licence is revoked or it is ordered to close down or it is wound up according to laws;
- (5) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the total voting rights of the Company may make requisition to the People's Court to dissolve the Company.

Article 179 of the Guidelines on the Articles of Association of Listed Companies

Article 187 Where a company is in the situation described in paragraph (1) of Article 186, it may be continued by amending these Articles of Association.

Article 181 of the Company Law

Amendments to these Articles of Association in accordance with the preceding paragraph is subject of approval by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Article 180 of the Guidelines on the Articles of Association of Listed Companies

Article 188 Where the Company is dissolved pursuant to Items (1), (2), (4) and (5) of Article 186 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The composition of the liquidation committee shall be determined by the shareholders' general meeting by ordinary resolution. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the People's Court for appointing relevant persons to form the liquidation committee for liquidation.

Article 183 of the Company Law

Article 181 of the Guidelines on the Articles of Association of Listed Companies

Article 189 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

Article 184 of the Company Law

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify creditors by notice or public announcements;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay outstanding taxes and taxes incurred during the liquidation process;
- (5) to settle claims and debts;
- (6) to deal with the remaining assets after the Company's debts having been paid in full;
- (7) to represent the Company in any civil proceedings.

Article 182 of the Guidelines on Articles of Association of Listed Companies

Article 190 The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement on a newspaper. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

Article 185 of the Company Law

Article 183 of the Guidelines on the Articles of Association of Listed Companies

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

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

Article 191 The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the relevant governing authority for confirmation.

The assets of the Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company shall not commence any business activities unrelated with liquidation.

Article 192 If the Company is liquidated due to its dissolution and the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of insolvency.

After the People's Court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the People's Court.

Article 186 of the Company Law

Article 184 of the Guidelines on the Articles of Association of Listed Companies

Article 187 of the Company Law

Article 185 of the Guidelines on the Articles of Association of Listed Companies

Article 193 Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation committee shall also submit the preceding documents to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Article 188 of the Company Law

Article 186 of the Guidelines on the Articles of Association of Listed Companies

Article 194 The members of the liquidation committee shall perform their duties faithfully and fulfill their liquidation obligations in accordance with the law.

Article 189 of the Company Law

Members of the liquidation committee shall not utilize their position to accept bribes or other illegal income, and shall not encroach on the Company's property.

Article 187 of the Guidelines on the Articles of Association of Listed Companies

If a member of the liquidation committee causes losses to the Company or creditors due to intent or gross negligence, he/she shall be liable for compensation.

Article 195 Where the Company has legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the laws relating to corporate bankruptcy.

Article 190 of the Company Law

Article 188 of the Guidelines on the Articles of Association of Listed Companies

Chapter 12 Amendments to the Articles of Association

Article 196 The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.

Article 189 of the Guidelines on the Articles of Association of Listed Companies

The Company shall amend the Articles of Association if:

- (1) there is an amendment of the Company Law of the PRC or other relevant laws or administrative regulations, and items stipulated in the Articles of Association are inconsistent with the amended laws or administrative regulations;
- (2) there is a change of the circumstances of the Company, and thereby is not in consistent with the items stipulated in the Articles of Association;
- (3) the shareholders' general meeting has passed a resolution to amend the Articles of Association.

Article 197 The following procedures shall be followed when amending the Articles of Association:

- (1) The Board of Directors shall firstly adopt a resolution for amendment to the Articles of Association and prepare a proposal for amendment to the Articles of Association;
- (2) The Board of Directors shall convene a shareholders' general meeting for voting on such proposal thereat;
- (3) The shareholders' general meeting shall approve such proposal by special resolution;
- (4) The Company shall submit the amended Articles of Association to the company registration authority for record.

Article 198 The Board shall amend the Articles of Association in accordance with the resolution of the general meeting and the approval of the relevant competent authorities to amend the Articles of Association.

Where disclosure of the revision of the Articles of Association is required under laws and regulations, it shall be announced in accordance with the relevant provisions.

Chapter 13 Supplementary Provisions

Article 199

- (1) Controlling shareholders are shareholders whose holdings of ordinary shares (including preferred shares with restored voting rights) account for more than 50% of the total share capital of the Company; for shareholders with shareholdings less than 50%, their voting rights based on their shareholdings are sufficient to exert a significant influence on the resolutions of the shareholders' meeting.
- (2) An effective controlling party refers to a person who is not a shareholder of the Company, but who, through an investment relationship, agreement or other arrangement, is able to effectively control the Company's behavior.

Article 190 of the Guidelines on the Articles of Association of Listed Companies

Rule 16 of Appendix 3 to the Hong Kong Listing Rules

Articles 191 and 192 of Guidelines on the Articles of Association of Listed Companies

Article 216 of the Company Law

Articles 193 and 196 of the Guidelines on the Articles of Association of Listed Companies

- (3) Affiliated relationship refers to the relationship between controlling shareholders, effective controlling parties, directors, supervisors and senior management of the Company and the enterprises directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of the Company's interests. However, state-owned enterprises are related to each other not only by virtue of being state-owned.

In the Articles of Association, the meaning of an “accounting firm” is the same as that of “auditors”.

In the Articles of Association, the meaning of “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” does not include the underlying number.

Article 200 The Board may, in accordance with the provisions of the Articles of Association, formulate the Articles of Association. The Articles of Association shall not contravene the provisions of the Articles of Association.

Article 194 of the Guidelines on the Articles of Association of Listed Companies

Article 201 The Articles of Association are written in Chinese. Should there be any discrepancies between the versions in other languages and the Chinese version, the Chinese version as registered at the latest registration by the company registration authorities shall prevail.

Article 195 of the Guidelines on the Articles of Association of Listed Companies

Article 202 The power of interpretation of the Articles of Association shall be vested in the Company's Board of Directors. Any matters not contained in the Articles of Association shall be proposed by the Board of Directors at the shareholders' general meeting for approval.

Articles 197, 199 and 200 of the Guidelines on the Articles of Association of Listed Companies

In the event of any conflict between these Articles and the provisions of the laws, administrative regulations and other relevant regulatory documents promulgated from time to time and the listing rules of the stock exchange where the Company's shares are listed, the provisions of the laws, administrative regulations and other relevant regulatory documents and the listing rules of the stock exchange where the Company's shares are listed shall prevail.

If the state or the securities regulatory authority of the place where the Company's shares are listed stipulates otherwise in respect of the preferred shares, it shall follow its regulations.

The Article of Association shall come into effect from the date of passing of the resolution at the shareholders' general meeting.

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