

Xi'an Kingfar Property Services Co., Ltd.
西安經發物業股份有限公司

Articles of Association

(Applicable upon the Initial Public Offering of H Shares)

Contents

Chapter 1	General Provisions	1
Chapter 2	Business Objective and Scope	3
Chapter 3	Shares and Registered Capital	4
	Section 1 Issuance of Shares	4
	Section 2 Increase, Reduction and Repurchase of Shares	5
	Section 3 Transfer of Shares	7
Chapter 4	Shareholders and General Meetings	8
	Section 1 Shareholders	8
	Section 2 General Provisions for General Meetings	12
	Section 3 Convening of General Meetings	15
	Section 4 Proposals and Notices of Shareholders' General Meeting	17
	Section 5 The Convening of Shareholders' General Meeting	19
	Section 6 Voting and Resolutions of the Shareholders' General Meetings	23
Chapter 5	Board of Directors	30
	Section 1 Directors	30
	Section 2 Board of Directors	35
	Section 3 Special Committees	40
Chapter 6	Party Organization	40
Chapter 7	General Manager and Other Senior Management Personnel	42
Chapter 8	Supervisory Committee	45
	Section 1 Supervisors	45
	Section 2 Supervisory Committee	46
Chapter 9	Financial and Accounting System, Profit Distribution and Audit	48
	Section 1 Financial and Accounting System and Profit Distribution Systems.	48
	Section 2 Internal Audit	49
	Section 3 Appointment of Accounting Firm	50
Chapter 10	Notice and Announcement	50
	Section 1 Notice	50
	Section 2 Announcement	52
Chapter 11	Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation	52
	Section 1 Merger, Division, Capital Increase and Capital Reduction	52
	Section 2 Dissolution and Liquidation	53
Chapter 12	Amendments to the Articles of Association	56
Chapter 13	Miscellaneous	56

Chapter 1 General Provisions

Article 1 To safeguard the legal interests of Xi'an Kingfar Property Services Co., Ltd. (the "Company") and its shareholders and creditors and to regulate the organization and behaviors of the Company, the Articles of Association are formulated in accordance with the Company Law of the PRC (the "Company Law"), the Securities Law of the PRC (the "Securities Law"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Overseas Offering and Listing Administrative Measures"), the Accounting Law of the PRC (the "Accounting Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), and other laws, regulations, departmental rules, normative documents and relevant regulations imposed by the Hong Kong securities regulatory institutions.

Article 2 The Company is a joint stock limited company established through restructuring of Xi'an Kingfar Property Management Co., Ltd. (西安經發物業管理有限責任公司), according to the Company Law and other relevant laws, administrative regulations, departmental rules, normative documents and relevant regulations imposed by the regulatory authorities of the People's Republic of China ("China" or "PRC", for the purpose of the Articles of Association, excluding the Hong Kong Special Administrative Region ("Hong Kong"), the Macau Special Administrative Region ("Macau") and Taiwan).

The Company filed with the China Securities Regulatory Commission (the "CSRC") on February 7, 2024 to initially issue 16,666,800 overseas-listed shares ("H Share(s)") which were listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on July 3, 2024.

Article 3 The Name of the Company

Chinese name: 西安經發物業股份有限公司

English name: Xi'an Kingfar Property Services Co., Ltd.

Article 4 The Company's domicile: Room 10701, Unit 1, Building 3 Xi'an Financial Innovation Center No. 51 Fengcheng Second Road Economic and Technological Development Zone Xi'an, Shaanxi (postal code: 710016).

Article 5 As of the initial public offering of H Shares, the Company has a registered capital of RMB50,000,000.00. Upon the completion of the initial public offering of H Shares, the Company has a registered capital of RMB66,666,800.00 if the over-allotment option is not exercised and RMB69,166,700.00 if the over-allotment option is exercised in full.

Upon the completion of the initial public offering of H Shares, the shares of the Company consist of 66,666,800.00 ordinary shares, including 16,666,800.00 H Shares (accounting for approximately 25.00% of the total number of the ordinary shares of the Company) and 50,000,000.00 unlisted shares (accounting for approximately 75.00% of the total number of the ordinary shares of the Company), if the over-allotment option is not exercised; the shares of the Company consist of 69,166,700.00 ordinary shares, including 19,166,700.00 H Shares (accounting for approximately 27.711% of the total number of the ordinary shares of the Company) and 50,000,000.00 unlisted shares (accounting for approximately 72.289% of the total number of the ordinary shares of the Company), if the over-allotment option is exercised in full.

Article 6 The Company is a joint stock company with perpetual existence.

Article 7 The chairman of the board of directors shall be the legal representative of the Company.

Article 8 All assets of the Company shall be divided into equal shares. The shareholders' liabilities to the Company are limited to the shares subscribed by them. The Company shall be held liable for its debts with all its assets.

Article 9 The Articles of Association were adopted by a resolution at the shareholders' general meeting of the Company held on May 15, 2023, and shall come into effect from the date on which the H Shares issued by the Company are listed and traded on the Hong Kong Stock Exchange. Since the effective date, the Articles of Association shall become a legally binding document governing the organization and conduct of the Company, and the rights and obligations between the Company and its shareholders and among shareholders, and shall be a legally binding document governing on the Company, its shareholders, directors, supervisors and senior management. The aforesaid personnel shall have the right to propose claims concerning the affairs of the Company in accordance with the Articles of Association. The Company shall assume the primary responsibility for handling shareholders' complaints, improve the complaint handling mechanism and disclose the handling procedures and status, and effectively protect the shareholders' rights such as right to profit, right to know, right to participate, right to supervise and right to claim in accordance with the laws. According to the Articles of Association, shareholders may sue other shareholders, the Company's directors, supervisors, general manager and other senior management and the Company. The Company may sue shareholders, directors, supervisors, general manager and other senior management.

Article 10 Other senior management referred to in the Articles of Association shall refer to, among others, the deputy general managers, the chief financial officer and secretary to the board of directors.

Article 11 To the extent permitted by laws, regulations and the Hong Kong Listing Rules, the Company may invest in other limited liability companies, joint stock limited companies or other enterprises, and the Company's liabilities to an invested entity shall be limited to the amount of its capital contribution to such invested company. The Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, unless it is otherwise provided for by laws.

Chapter 2 Business Objective and Scope

Article 12 The business objective of the Company: to make unremitting efforts for your quality life.

Article 13 As registered according to the laws, the Company's business scope is: general items: production, sales, processing, transportation and storage of agricultural products and other related services; construction of landscaping projects; sales of food (pre-packaged food only); sales of general merchandise; sales of household appliances; domestic trade agency; sales of health food (pre-packaged); sales of household supplies; retail of edible agricultural products; sales of knitwear and textile; retail of cosmetics; sales of gifts and flowers; sales of maternal and infant supplies; retail of stationery supplies; retail of automobile spare parts; retail of hardware products; sales of furniture; sales of building decoration materials; used car brokerage; sales of automotive decorative supplies; sales of electronic products; sales of audio equipment; sales of sanitary wares; sales of special ceramic products; import and export of goods; parking lot services; software development; information system integration services; data processing and storage support services; property management; real estate appraisal; real estate brokerage; real estate consulting; non-residential real estate leasing; machinery and equipment leasing; minibus leasing operation services; construction machinery and equipment leasing; computer and communication equipment leasing; transportation equipment leasing services; office equipment leasing services; cultural supplies and equipment leasing; warehousing equipment leasing services; charging control equipment leasing; information consulting services (excluding licensed information consulting services); health consulting services (excluding diagnosis and treatment services); advertising design and agency; advertisement release; human resources services (excluding occupational intermediary activities and labor dispatch services); conference and exhibition services; commercial agency services; advertisement production; labor services (excluding labor dispatch); planning and design management; real estate registration agency services; household services; washing and dyeing services; etiquette services; chauffeur services; residential water and electricity installation and maintenance services; household appliances installation services; electrical appliances repair; professional cleaning, washing and disinfection services; business training (excluding education training, vocational skill training and other trainings that require permits); nursing institution services (excluding medical services); rehabilitation assistant device adaptation services; maternal and infant life care (excluding medical services); elderly care services (community elderly care services); operation of electric vehicle charging infrastructure; centralised fast charging stations; sales of motor vehicle charging; sales of charging piles; sales of power distribution switch control equipment. (Except for items that are subject to approval according to the laws, business activities shall be conducted independently by laws by virtue of the business license)

Licensed items: food production; special equipment installation, renovation and repair; building construction works; interior decoration and fitment of residence; sales of food; liquor operation; road passenger transportation operation; catering services; occupational intermediary activities; labor dispatch services; tourism business; power supply business. (For items that are subject to approval according to the laws, operating activities shall only be conducted upon approval from relevant authorities, and specific items shall be subject to the results of approval) (subject to the approval of the registration authority)

The business scope in the preceding paragraph is subject to the record of the Company maintained by the registration authority.

Chapter 3 Shares and Registered Capital

Section 1 Issuance of Shares

Article 14 Shares of the Company shall take the form of registered share certificates.

Article 15 The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same rights. Shares of the same class issued at the same time shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares for which it or he or she subscribes for.

H Shares and unlisted shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

Article 16 All shares issued by the Company shall have par values, with each share having a par value of RMB1 and denominated in RMB.

The Company shall have ordinary shares at all times.

Article 17 After filing with the securities regulatory authorities of the State Council and the fulfillment of the mandatory procedures stipulated by other relevant laws, regulations and normative documents, the Company may issue shares to domestic investors and overseas investors.

For the purpose of the preceding paragraph, overseas investors shall refer to investors from foreign countries or Hong Kong, Macau and Taiwan that subscribe for shares issued by the Company; domestic investors shall refer to investors inside the territory of China excluding the above-mentioned regions that subscribe for shares issued by the Company.

Article 18 Ordinary shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as H Shares. Ordinary shares issued by the Company that are not listed on any stock exchange shall be referred to as unlisted shares.

Holders of unlisted shares and holders of H Shares are both ordinary shareholders.

Upon the completion of offering and listing of the Company's shares, the shareholders of the Company may list and trade their unlisted shares overseas to the extent permitted by relevant laws, administrative regulations and departmental rules, subject to filing with the securities regulatory authorities of the State Council and other relevant regulatory authorities. Listing and trading of such shares on overseas stock exchange(s) shall also comply with the regulatory procedures, provisions and requirements of overseas securities market(s).

The H Shares issued by the Company are mainly deposited in the trusted companies subordinate to Hong Kong Securities Clearing Company Limited. The unlisted shares issued by the Company shall be deposited in China Securities Depository and Clearing Co., Ltd. in a centralised way.

Article 19 The Company is a joint stock limited company sponsored by two promoters and established through restructuring of Xi'an Kingfar Property Management Co., Ltd. (西安經發物業管理有限責任公司). The sponsors of the Company, the number of shares subscribed for and the method of capital contribution are as follows:

No.	Name of promoters	Number of shares subscribed for (Ten thousand shares)	Proportion of shareholding (%)	Method of capital contribution	Time of capital contribution
1	Xi'an Kingfar Group Co., Ltd. (西安經發集團有限責任公司)	4500	90.00	Shares converted from net assets	December 25, 2020
2	Xi'an Kingfar Holdings (Group) Co., Ltd. (西安經發控股(集團)有限責任公司)	500	10.00	Shares converted from net assets	December 25, 2020
	Total	5000.00	100.00	-	-

Section 2 Increase, Reduction and Repurchase of Shares

Article 20 The Company may, based on its business and development needs and in accordance with laws and regulations, increase its capital in the following ways, subject to separate resolutions of the shareholders' general meeting:

- (I) public offering of shares;
- (II) non-public issuance of shares;
- (III) distributing bonus shares to its existing shareholders;
- (IV) conversion of reserve fund into share capital;
- (V) other means as is stipulated by laws, administrative regulations, the Hong Kong Listing Rules or as approved by relevant regulatory authorities such as the securities regulatory authorities of the State Council.

The Company's increase in capital by issuing new shares shall, after being approved pursuant to the Articles of Association and the Hong Kong Listing Rules, follow the procedures specified in relevant laws and administrative regulations of the State, the Articles of Association and the Hong Kong Listing Rules.

Article 21 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, the Hong Kong Listing Rules and other relevant regulations and the Articles of Association.

When the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.

Article 22 The Company shall notify its creditors within ten days from the date of the resolution for reduction of registered capital and shall publish an announcement in a newspaper within thirty days from the date of such resolution. A creditor has the right within thirty days from the date it receives the notice or, in the case of a creditor who does not receive such notice, within forty-five days from the date of the first announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debts.

The registered capital of the Company after reduction shall not be lower than the minimum statutory authorised amount.

Article 23 Without violation of the provisions of the laws, regulations and the Hong Kong Listing Rules and the Articles of Association, the Company may, in the following circumstances, purchase its shares in accordance with the laws, administrative regulations, department rules and the Articles of Association:

- (I) reducing the registered capital of the Company;
- (II) merging with another company that holds shares in the Company;
- (III) using shares for employee stock ownership plan or equity incentives;
- (IV) shareholders who object to resolutions of the shareholders' general meeting on merger or division of the Company requesting the Company to buy back their shares;
- (V) using the shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (VI) where it is necessary for the Company to preserve its value and shareholders' interest;
- (VII) other circumstances permitted by laws, administrative regulations, the Hong Kong Listing Rules and other relevant requirements.

Article 24 The Company may repurchase its shares through public centralised trading or other methods recognised by laws, administrative regulations, the CSRC and the security regulatory authorities where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances set out in items (III), (V) and (VI) of the first paragraph of Article 23 hereof, the Company shall repurchase its shares through public centralised trading and comply with applicable laws, administrative regulations, and relevant regulations imposed by the CSRC and the Hong Kong securities regulatory institutions.

Article 25 Where the Company repurchases its shares under the circumstances set out in items (I) and (II) of the first paragraph of Article 23 hereof, a resolution shall be passed at the shareholders' general meeting. Where the Company repurchases its shares under the circumstances set out in items (III), (V) and (VI) of the first paragraph of Article 23 hereof, a resolution may be passed at a board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or as authorised by the shareholders' general meeting.

After the shares are acquired by the Company pursuant to the laws, the Company shall cancel such shares within the period prescribed by laws, administrative regulations and the Hong Kong Listing Rules, and shall apply to the original company registration authority for registration of the change in the registered capital.

Section 3 Transfer of Shares

Article 26 Unless otherwise stipulated in the laws, administrative regulations and the Hong Kong Listing Rules, paid-up shares of the Company may be transferred freely and are not subject to any lien. Shares of the Company may be given as a gift, inherited and pledged pursuant to relevant laws, administrative regulations and the Articles of Association.

Instrument of transfer and other documents relating to or affecting the ownership of any H Share shall be registered with the local stock registration institution in Honk Kong entrusted by the Company.

The listing and trading of the Company's H Shares on the Main Board of the Hong Kong Stock Exchange, and the termination of listing of the Company's H Shares shall be handled in accordance with the Hong Kong Listing Rules and other relevant requirements.

Article 27 All fully paid H Shares may be transferred freely according to the Articles of Association.

Article 28 All H Shares shall be transferred by a transfer document in writing in any usual or common form or any other form which the board of directors accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time). The written transfer documents may only be executed by hand or (if the transferor or the transferee is a company) affixed with the company's seal. If the transferor or transferee is a recognised clearing house as defined by the laws of Hong Kong in effect from time to time (the "Recognised Clearing House") or the agent thereof, the written transfer documents may be executed by hand or by machine imprinted signatures.

Article 29 The Company will not accept any pledge with its shares as the subject.

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

Directors, supervisors and senior management of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of shares of the Company held by them each year during their terms of office; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforementioned personnel shall not transfer the shares of the Company directly held by them within 18 months after they apply for resignation from the Company within 6 months from the date of the initial public offering of shares. The aforementioned personnel shall not transfer the shares of the Company directly held by them within 12 months after they apply for resignation from the Company within 7 to 12 months from the date of the initial public offering of shares.

If there are other requirements for restrictions on the transfer of shares imposed by the Hong Kong securities regulatory institutions, such requirements shall prevail.

Article 31 Where any shareholder holding 5% or more of the shares of the Company, a director, a supervisor or a senior manager of the Company sells any stock or other equity securities of the Company that it holds in the Company within six months after its purchase thereof or purchases the stock or other equity securities within six months after its sale thereof, the profits therefrom shall be owned by the Company, and the board of directors of the Company shall take back such profits, except for a securities company holding 5% or more of the shares of stock as a result of purchasing the remaining unsold stock underwritten by it or under any other circumstances stipulated by the CSRC.

The shares or other securities with an equity nature held by directors, supervisors, senior management officers and natural person shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents, children, and any of the above which is held by using others' accounts.

If the Company's board of directors does not comply with the provision of the preceding paragraph, the shareholders can request the board of directors to do so within 30 days. If the board of directors does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigations in the people's court in their own names for the interests of the Company.

If the Company's board of directors does not enforce the provision of the first paragraph, the responsible directors shall assume joint and severally liable in accordance with the laws.

Such restrictions shall comply with the relevant provisions of the Hong Kong securities regulatory institutions if H Shares are involved.

Chapter 4 Shareholders and General Meetings

Section 1 Shareholders

Article 32 The Company establishes a register of shareholders in accordance with certificates from the share registrar, and the register of shareholders is a sufficient evidence of the shareholders' shareholdings in the Company. A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of shareholders. A Shareholders shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. H Share register of members shall be kept in Hong Kong and available for inspection by shareholders.

Article 33 Any shareholder whose name is entered on the register of members or any person who requires his or her name be entered on the register of members may apply to the Company for a new share certificate to be re-issued in respect of relevant share if the share certificate is lost. In case that a holder of H shares has lost his/her/its share certificate and applies for reissuance, shall be dealt with in accordance with the laws of the place where the original copy of the register of holder of H shares is maintained and the rules of the stock exchange or other relevant provisions.

Article 34 When the Company convenes a general meeting, distributes dividends, commences liquidation, or participates in other activities requiring the identification of shareholders, the board of Directors or the convener of the general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders after the market is closed on the record date shall be entitled to the relevant rights.

Article 35 The shareholders of the Company shall enjoy the following rights:

- (I) to receive dividends and other profit distributions in proportion to their shareholdings;
- (II) to request, convene, preside, attend or appoint proxies to attend general meetings and speak at the general meeting, and to exercise the corresponding voting rights (except in cases where the shareholder is required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the Company's shares are listed) according to the laws;
- (III) to supervise the operation of the Company, to present proposals or to raise enquires;
- (IV) to transfer, gift or pledge shares held by them in accordance with laws, administrative regulations, relevant requirements of the securities regulatory authorities and provisions of the Articles of Association;
- (V) to obtain relevant information in accordance with the Articles of Association, including:
 - 1. obtaining a copy of the Articles of Association, subject to payment of cost;
 - 2. being entitled to access freely and make a copy, subject to payment of reasonable charges, of:
 - (1) complete register of shareholders;
 - (2) personal information of the directors, supervisors and senior management of the Company, including:
 - 1) current and previous names and aliases;
 - 2) main address (domicile);
 - 3) nationality;
 - 4) full-time and all other part-time occupations and duties;
 - 5) identification document and its number.
 - (3) an report regarding the status of the issued share capital of the Company;
 - (4) reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose (classifying by unlisted shares and H shares);
 - (5) special resolutions of general meeting;

- (6) the latest audited financial statements of the Company, and the reports of directors, supervisors and auditors;
- (7) a copy of the latest annual report that has been filed with the Chinese administrative department for industry and commerce or other competent authorities;
- (8) minutes of shareholders' meetings.

The Hong Kong branch of the register of shareholders must be made available for inspection by shareholders, however, the Company is permitted to close the register of members on terms equivalent to that of section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Subject to the applicable laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, if the information to be inspected and photocopied involves business secrets or inside information of the Company as well as the personal privacy of the relevant personnel, the Company may refuse to provide the same.

- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (VII) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to repurchase their shares;
- (VIII) other rights under laws, administrative regulations, departmental rules, normative documents, the listing regulatory rules of the places where the shares of the Company are listed and the Articles of Association.

Article 36 When a shareholder requests to inspect the relevant information mentioned in the preceding article or obtain such materials, he/she shall provide the Company with such written documents evidencing the class and amount of his/her shareholding in the Company. The Company may provide such information per the shareholder's request after verifying his/her identity.

Article 37 If any resolution of the general meeting or the Board meeting is in violation of laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution.

If the convening procedure or voting method of the general meeting or the Board meeting is in violation of laws, administrative regulations or the Articles of Association, or if the content of any resolution is in violation of the Articles of Association, the shareholders shall be entitled to apply to the people's court for revocation within 60 days after the resolution being adopted.

Article 38 If any director or senior management violates laws, administrative regulations or the Articles of Association in fulfilling their duties, thereby causing any loss to the Company, the shareholders individually or jointly holding 1% or more of the shares of the Company for 180 or more consecutive days shall be entitled to request the Supervisory Committee in writing to institute legal proceedings to the people's court. If the Supervisory Committee violates laws, administrative regulations or the Articles of Association in fulfilling its duties, thereby causing any loss to the Company, the shareholders shall be entitled to request the Board of directors in writing to institute legal proceedings to the people's court.

If the Supervisory Committee or the Board of directors refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names for the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholders as mentioned in the first paragraph of this Article may institute legal proceedings to the people's court according to the provisions of the two preceding paragraphs.

Article 39 If any director or senior management violates laws, administrative regulations or the Articles of Association, thereby causing any loss to the shareholders, the shareholders may institute legal proceedings to the people's court.

Article 40 The shareholders of the Company shall assume the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;
- (III) except as otherwise provided by laws and regulations, withdrawal of share capital shall not be permitted;
- (IV) not to abuse shareholder's right to prejudice the interests of the Company or other shareholders; not to abuse the independent status of legal person of the Company or shareholder's limited liability to prejudice the interests of the creditors of the Company.
- (V) to fulfill other obligations as stipulated by laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

Shareholders of the Company who abuse their shareholder's rights and thereby causing loss to the Company or other shareholders shall be liable for compensation according to the law.

Where shareholders of the Company abuse the independent status of legal person of the Company 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 41 Where a shareholder holding 5% or more voting shares of the Company pledge any shares in his/her possession, he/she shall submit a written report to the Company on the date when the pledge is executed.

Article 42 The controlling shareholders and the de facto controllers of the Company shall not use the connected relations to prejudice the interests of the Company; otherwise, they shall be liable for compensation for the loss suffered by the Company.

The controlling shareholders and the de facto controllers of the Company owe fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise his/her rights as a capital contributor in strict compliance with laws. The controlling shareholders shall not make use of methods such as the distribution of profits, restructuring of assets, external investments, misappropriation of assets, borrowing or loan guarantees to prejudice the legitimate interests of the Company and other shareholders, and shall not make use of their controlling positions to prejudice the interests of the Company and other shareholders.

The Company shall not provide the shareholders or de facto controllers with funds, commodities, services or other assets gratis or on manifestly unfair terms; shall not provide funds, commodities, services or other assets to the shareholders or de facto controllers who are noticeably unable to make repayment; shall not provide guarantee to the shareholders or de facto controllers who are noticeably unable to make repayment or provide guarantee to the shareholders or de facto controllers without justifiable reasons; shall not, without justifiable reasons, relinquish creditor's rights against the shareholders or de facto controllers or assume debts of the shareholders or de facto controllers; the Company or its subsidiaries shall not provide any financial assistance to a person who is acquiring or is proposing to acquire shares of the Company by way of gift, advancement, guarantee, indemnity or loans or other means. Transactions between the Company and the shareholders or de facto controllers regarding the provision of funds, commodities, services or other assets shall be subject to the deliberative procedures of the Board of directors and the general meeting in strict accordance with the laws, regulations, Hong Kong Listing Rules and the provisions of the Articles of Association relating to connected transactions.

Section 2 General Provisions for General Meetings

Article 43 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to laws:

- (I) to decide the business operation guidelines and investment plans for the Company;
- (II) to elect and change directors and supervisors who are not employees' representatives, and determine the remunerations of directors and supervisors;
- (III) to consider and approve reports of the Board;
- (IV) to consider and approve reports of the Supervisory Committee;
- (V) to consider and approve the annual financial budgets and final accounting proposals of the Company;
- (VI) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to resolve on the increase or reduction of the registered capital of the Company;

- (VIII) to resolve on the issuance of bonds of the Company, other securities and on listing matters;
- (IX) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;
- (X) to amend the Articles of Association;
- (XI) to determine the Company's engagement, removal, discontinuance of engagement of accounting firms and the remunerations of accounting firms;
- (XII) to consider and approve the external guarantees which shall be approved at general meeting;
- (XIII) to consider and approve the Company's purchase or disposal of major assets within one year with the aggregate amount exceeding 30% of the latest audited total assets of the Company;
- (XIV) to consider and approve matters relating to the changes in the use of proceeds;
- (XV) to consider and approve connected transactions, external investments, asset pledges, external financing and external donations which shall be approved at general meeting as stipulated by the Hong Kong Listing Regulatory Rules;
- (XVI) to consider and approve equity incentive plan and employee stock ownership plan;
- (XVII) to consider other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the Articles of Association and Hong Kong Listing Rules.

The aforementioned functions and powers of the general meeting shall not be exercised by the Board of directors or other institutions and individuals through any form of authorization.

Article 44 The following external guarantees of the Company shall be subject to the approval of the shareholders' general meeting:

- (I) any guarantee provided after the total amount of external guarantee provided by the Company and the Company's controlled subsidiaries has exceeded 50% of the audited total assets of the Company for the latest period;
- (II) guarantees provided to subjects with a debt-to-equity ratio of over 70%;
- (III) a single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (IV) guarantees provided by the Company within 12 consecutive months in an amount exceeding 30% of the Company's audited total assets for the latest period;

- (V) any guarantee provided after the total amount of external guarantee provided by the Company has exceeded 30% of the audited total assets of the Company for the latest period;
- (VI) guarantees provided to shareholders, de facto controllers and their related parties.
- (VII) other guarantees stipulated by Hong Kong Listing Rules or the Articles of Association.

The aforementioned external guarantees subject to the approval of the general meeting must be approved by the Board of directors before being submitted to the general meeting for approval.

To consider the guarantees in (IV) of the preceding paragraph at the general meeting, these guarantees shall be passed by votes representing not less than two-thirds of the voting rights of shareholders represented at the relevant meeting.

When considering the resolution of providing guarantees to shareholders, de facto controller and connected persons thereof at the general meeting, such shareholders or shareholders controlled by such de facto controller shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the general meeting to be passed.

Directors, senior management personnel who have violated the provisions on the approval authority and consideration procedures for matters relating to external guarantees as specified in the laws, administrative regulations or the Articles of Association, and have caused losses to the Company shall be liable for compensation and the Company may institute legal proceedings against them in accordance with the laws.

Article 45 General meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within 6 months after the end of the previous financial year.

Article 46 The Company shall convene an extraordinary general meeting within 2 months upon occurrence of the following events:

- (I) when the number of directors falls below the statutory minimum requirement of the Company Law, or is less than 2/3 of the number specified by the Articles of Association;
- (II) the unrecovered losses of the Company amount to 1/3 of the total amount of its paid-up share capital;
- (III) when shareholders severally or jointly holding 10% or more of the Company's shares request(s) (the number of shares held shall be subject to the date of the shareholder's written request);
- (IV) the Board of directors considers it necessary;
- (V) the Supervisory Committee proposes to convene such meeting;

(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

If an extraordinary general meeting is convened in conjunction with the requirements of the securities regulatory rules of the place where the Company's shares are listed, the actual date of the extraordinary general meeting may be adjusted in accordance with the progress of the approval of the stock exchange where the Company's shares are listed (if applicable).

Article 47 The venue of a general meeting of the Company shall be the domicile of the Company or other location specified in the notice of the general meeting.

A general meeting shall usually set up a venue and be held in the form of an on-site meeting. If necessary, the company can also provide online voting for the convenience of shareholders attending the general meetings. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Section 3 Convening of General Meetings

Article 48 Independent non-executive directors shall be entitled to propose to the Board of directors to convene an extraordinary general meeting. The Board of directors shall, in accordance with laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board of directors; if the Board of Directors does not agree to convene the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

Where Hong Kong securities regulatory authorities provide other requirements, such requirements shall prevail.

Article 49 The Supervisory Committee shall be entitled to propose to the Board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of directors shall, pursuant to laws, administrative regulations, departmental rules, Hong Kong Listing Rules and the Articles of Association, give a written reply on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board of directors. In the event of any change to the original proposal set forth in the notice, the consent of the Supervisory Committee shall be obtained.

If the Board of directors does not agree to convene the extraordinary general meeting or fails to respond within 10 days upon receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting itself.

Article 50 Shareholders severally or jointly holding 10% or more of the shares of the Company shall be entitled to request the Board of directors to convene an extraordinary general meeting and add resolutions to the agenda of the meeting, and such request shall be put forward to the Board of directors in writing, stating the topics to be discussed at the meeting. The Board of Directors shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees or disagrees to convene the extraordinary general meeting within 10 upon receipt of the proposal, without unreasonable delay or obstruction.

If the Board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board of directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholders shall be obtained.

If the Board of directors does not agree to convene the extraordinary general meeting or fails to respond within 10 days upon receipt of the request, shareholders severally or jointly holding 10% or more of the shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days upon receipt of the request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholders shall be obtained.

In case of failure to serve a notice of general meeting within the prescribed period, the Supervisory Committee shall be deemed as failing to convene and preside over the general meeting and the shareholders severally or jointly holding 10% or more shares of the Company for 90 or more consecutive days may convene and preside over such meeting by itself/themselves.

Article 51 If the Supervisory Committee or shareholders decide to convene a general meeting by themselves, they shall take corresponding actions in accordance with the requirements and provisions of Hong Kong listing regulatory rules. The shareholding of the convening shareholders shall be no less than 10% before an announcement of the resolutions of the general meeting is issued. The Supervisory Committee or the convening shareholders shall take corresponding actions in accordance with the Hong Kong listing regulatory requirements and provisions when the notice of the general meeting and the announcement of the resolutions of the general meeting are issued.

Article 52 The Board of directors and the secretary of the Board shall cooperate in terms of general meetings convened by the Supervisory Committee or the shareholders themselves. The Board of directors shall provide the register of shareholders on the shareholding record date.

Article 53 The necessary expenses required for the general meetings convened by the Supervisory Committee or the shareholders themselves shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' General Meeting

Article 54 The contents of the proposals shall fall within the functions and powers of the shareholders' general meeting, shall have clear discussion topics and specific matters to be resolved, and shall comply with relevant requirements of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 55 When a shareholders' general meeting is convened by the Company, the board of directors, the Supervisory Committee or shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to raise proposals to the Company.

Shareholders who individually or collectively hold more than 3% of the shares of the Company may put forward an interim proposal and submit it in writing to the convener within the time limit prescribed in the Hong Kong Listing Rules prior to the shareholders' general meeting. The convener shall, in accordance with the Hong Kong Listing Rules, issue a supplementary notice of the shareholders' general meeting upon receipt of the proposal to inform the contents of the provisional proposal.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the shareholders' general meeting, shall neither modify the proposals stated in the notice of shareholders' general meeting nor add new proposals.

The shareholders' general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice or are inconsistent with Article 53 hereof.

Article 56 The notice of shareholders' general meeting (including the supplementary notice) shall be issued in accordance with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed.

Subject to laws, administrative regulations and the listing regulatory rules of Hong Kong, the Company shall issue a notice to each shareholder 21 days prior to the date of the annual general meeting, while the Company shall issue a notice to each shareholder 15 days prior to the date of the extraordinary general meeting.

In respect of the issuance of the supplementary notice of the shareholders' general meeting, if the securities regulatory rules of the place where the shares of the Company are listed specify special requirements, such requirements shall prevail. If the shareholders' general meeting is required to be postponed due to issuance of the supplementary notice of the shareholders' general meeting as provided by the securities regulatory rules of the place where the shares of the Company are listed, the convening of the shareholders' general meeting shall be postponed in accordance with the requirements of the securities regulatory rules of the place where the shares of the Company are listed. The proxy form providing both voting options for consent and objection on all resolutions to be proposed at the meeting shall be provided together with the notice.

When calculating the notice period of the shareholders' general meeting, the date of the meeting being convened and the date of issuing the notice shall be excluded.

Article 57 Matters that are not included in the notice shall not be resolved at the shareholders' general meeting.

Article 58 Notice of a general meeting shall be in writing and satisfy the following requirements:

1. specific date, venue and time of the meeting;
2. matters and proposals to be considered at the meeting;
3. a prominent statement that all shareholders are eligible for attending the general meeting and are entitled to appoint proxies in writing to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a shareholder of the Company;
4. the record date of the shareholders entitled to attend the meeting;
5. the name and phone number of permanent contact person for the meeting;
6. other voting methods, the time and voting procedure shall also be indicated in the notice;
7. other matters stipulated by laws, administrative regulations, normative documents or the Hong Kong Listing Rules.

The notice and supplementary notice of the shareholders' general meeting shall fully and completely disclose the specific contents of all proposals; for those matters proposed for discussion requiring the opinions of independent executive directors, opinions and reasons of independent executive directors shall be disclosed when the notice or supplementary notice of the shareholders' general meeting is issued.

The interval between the shareholding record date of a shareholders' general meeting and the date of the meeting shall be subject to the requirements of relevant regulatory authorities of the place where the shares of the Company are listed. The shareholding record date shall not be changed once confirmed.

Article 59 In the event that matters involving the election of directors and supervisors are to be considered at the shareholders' general meeting, the notice of such general meeting shall fully disclose the detailed information of the candidates for such directors and supervisors, which shall at least include the following:

- (I) personal particulars including full name (including any former name and alias), education background, working experience and any part-time job;
- (II) whether there is any connected relationship with the Company or its controlling shareholders and de facto controller;
- (III) disclosure of the shareholdings in the Company;
- (IV) whether or not they have been penalized by CSRC and other relevant authorities and the stock exchange;
- (V) other matters required to be disclosed by the listing regulatory rules of the place where the shares of the Company are listed.

Apart from directors and supervisors elected through the cumulative voting system, each candidate of director or supervisor shall be individually proposed.

Article 60 Unless laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association provide otherwise, a notice of the shareholders' general meeting shall be sent to shareholders (whether they are entitled to vote at the meeting or not) by hand or by prepaid mail to the address as shown in the register of members; or by making announcement on the Company's website or the websites designated by the Hong Kong Stock Exchange in accordance with applicable laws, regulations and the Hong Kong Listing Rules. For shareholders of unlisted shares, the notice of the shareholders' general meeting can also be made by making announcement.

The announcement referred to in the preceding paragraph shall be published on the media satisfying the requirements prescribed by securities regulatory authority of the State Council. Once the announcement is published, all shareholders of unlisted shares shall be deemed to have received the notice in relation to the shareholders' general meeting.

The notice of shareholders' general meeting to H shareholders may be published on the websites designated by the Hong Kong Stock Exchange and the website of the Company. Once the announcement is published, all shareholders of H shares shall be deemed to have received the notice in relation to the shareholders' general meeting.

Article 61 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice, shall not invalidate the meeting and the resolutions passed at the meeting.

The notice referred to in the preceding paragraph shall include the notice of shareholders' general meeting, notice of meeting of board of directors and supervisory committee.

Article 62 After issuance of the notice for shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall make an announcement giving reasons prior to the date when the meeting is convened in accordance with the Hong Kong Listing Rules.

Section 5 The Convening of Shareholders' General Meeting

Article 63 The board of directors and other conveners shall take such necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the order of the meeting, causes trouble and acts infringing the lawful interests of the shareholders, measures shall be taken to prevent them, and they shall be reported to the relevant authorities for investigation.

Article 64 All shareholders of the Company on the register of members on the shareholding record date or their proxies are entitled to attend the shareholders' general meeting and vote in accordance with the provisions of the relevant laws, regulations and the Articles of Association.

Shareholders may attend the shareholders' general meeting in person and may also appoint proxies (which need not be a shareholder) to attend and vote at the shareholders' general meeting on their behalf.

Article 65 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall have the rights to appoint one or more persons (who may not be necessarily a shareholder) as his/her proxies to attend and vote on his/her behalf. Such proxies may exercise the following rights as entrusted by the shareholder:

- (I) the rights of speech for such shareholder at the shareholders' general meeting;
- (II) the rights to demand by himself/herself or jointly with others in voting by way of poll;
- (III) unless otherwise required by relevant laws, regulations and regulatory documents as well as the securities regulatory authorities of Hong Kong and the Hong Kong Listing Rules, the rights to vote by showing hands or by poll provided if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by way of poll.

Article 66 Individual shareholders attending a shareholders' general meeting in person shall produce their identity cards or other valid proof or certificate of their identities; in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the power of attorneys from shareholders.

Where a shareholder is a legal person, its legal representative or representative entrusted by it can attend the meeting and exercise such shareholder's rights (including voting rights) as if the legal person shareholder attends the meeting in person. If the legal representative attends the meeting, he/she shall produce his/her identification document and valid certificate proving his/her qualification to be a legal representative; if a proxy is entrusted to attend the meeting, the proxy shall produce his/her identification document and the power of attorney issued by the legal person shareholder (other than shareholder that is a recognized clearing house (or its nominee) within the meaning of the relevant provisions of the Hong Kong laws or the listing rules of the place where the shares of the Company are listed that are in force from time to time.

Article 67 The instrument issued by the shareholder to authorize another person to attend the shareholders' general meeting shall include the following contents:

- (I) name of the proxy;
- (II) whether the proxy has voting rights;
- (III) indication of consent, objection or abstention concerning each matter to be considered on the agenda of the shareholders' general meeting;
- (IV) date of signing of the instrument and term of validity;
- (V) signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person or the signature of its authorised person shall be affixed;
- (VI) other matters specified by the listing rules of the place where the shares of the Company are listed.

Article 68 A proxy form shall be deposited at the domicile of the Company or such other places designated in the notice of meeting not less than 24 hours before the time for convening the meeting at which the proxy is appointed to vote or the time appointed for the voting. If the proxy form is signed by another person authorized by the appointer, the proxy form or other authorization instruments shall be notarially certified. The proxy form or other authorization instruments notarially certified shall be deposited together with the proxy form at the domicile of the Company or other places designated in the notice of meeting.

If the appointer is a legal person, its legal representative or person authorized by its Board of Directors or other decision-making bodies to act as its representative shall attend the general meeting of the Company.

Article 69 Where a shareholder is a recognized clearing house (or its nominee) within the meaning of relevant provisions of the Hong Kong Securities and Futures Ordinance or the Hong Kong laws in force from time to time, such shareholder may authorize one or more persons as it thinks fit to act as its proxy(ies) at any shareholders' general meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each person is so authorized. A person so authorized may represent the recognized clearing house (or its nominees) (there is no need for such person to produce share certificates or notarized authorization and/or further evidence to prove that he/she has been duly authorized) as if such person were an individual shareholder of the Company. The authorized proxy(ies) of the recognized clearing house shall enjoy legal rights equivalent to those of other shareholders, including the right to speak and vote.

Article 70 The registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain contents such as name of the attendee, ID card number (or unified social credit code), address of domicile, number of voting shares held or represented, name of the nominees.

Article 71 The convener shall verify the validity of the qualifications of shareholders based on such shareholders' register as provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the amount of their voting shares. The registration for a meeting shall be completed before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares.

Article 72 When a shareholders' general meeting is convened, all the directors, supervisors and the secretary to the board of directors of the Company shall attend the meeting, and president and other senior management shall be present at such meeting. For those that are unable to attend or be present at the meeting for reasons, the Company may provide convenience to those persons by providing to them access to video, telephone, internet and other means as practicable under the then circumstance.

Article 73 If a shareholders' general meeting is convened by the board of directors, the meeting shall be chaired and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to discharge or fails to discharge his/her duties, the meeting shall be chaired and presided over by a director elected by more than one half of the directors.

If a shareholders' general meeting is convened by the Supervisory Committee, the meeting shall be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable to discharge or fails to discharge his/her duties, the meeting shall be presided over by a supervisor elected by more than one half of the supervisors.

If a shareholders' general meeting is convened by the shareholders themselves, the convener will nominate a representative to preside over the meeting.

When a shareholders' general meeting is convened, if the chairman of the meeting contravenes the Articles of Association or the Rules of Procedures for Shareholders' General Meetings of the Company, rendering the meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the shareholders' general meeting to serve as the chairman and the meeting may proceed.

Article 74 The Company shall formulate the Rules of Procedures for Shareholders' General Meetings, and specify in details the procedures for convening, and voting at, the shareholders' general meeting, including notification, registration, review and consideration of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, as well as principle for the authorization granted to the board of directors by the shareholders' general meeting, and the authorization shall be clear and specific. The Rules of Procedures for Shareholders' General Meetings shall be appended to the Articles of Association. They shall be formulated by the board of directors and approved by the shareholders' general meeting.

Article 75 At the annual general meeting, the board of directors and the Supervisory Committee shall report their work for the past year to the shareholders' general meeting. Each independent non-executive director shall also present a work report.

Article 76 Directors, supervisors and senior management shall provide explanations regarding the enquiries and suggestions from shareholders at the shareholders' general meeting.

Article 77 The chairman of the meeting shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be subject to registration of the shareholders' general meeting.

Article 78 Minutes shall be prepared for shareholders' general meetings by the secretary to the board of directors. The minutes shall state the following contents:

- (I) time, venue and agenda of the meeting and name of the convener;
- (II) the name of the chairman of the meeting and the names of the directors, supervisors, general manager and other senior management attending or present at the meeting;
- (III) the numbers of shareholders and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company;
- (IV) the process of review and discussion, summary of any speech and voting results of each proposal;
- (V) shareholders' questions, suggestions and corresponding answers or explanations;
- (VI) names of vote counters and scrutinizer of the voting;

(VII) other contents to be included as specified in the Hong Kong Listing Rules or the Articles of Association.

Article 79 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the board of directors, conveners or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the registration record of attending shareholders, proxy forms and valid information on other means of voting, for a period of no less than 10 years.

Article 80 The convener shall ensure that the shareholders' general meeting be conducted continuously until final resolutions are made. If the shareholders' general meeting is suspended or resolutions cannot be made because of force majeure and other special causes, the convener shall take necessary measures to resume the meeting or directly terminate that meeting as soon as practicable followed by a timely public announcement. If the Hong Kong securities regulatory authorities have other provisions, such provisions shall prevail.

Section 6 Voting and Resolutions of the Shareholders' General Meetings

Article 81 Resolutions of the Shareholders' general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a Shareholders' general meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the Shareholders' general meeting.

Special resolution at a Shareholders' general meeting shall be adopted by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the Shareholders' general meeting.

Article 82 The following matters shall be resolved by way of ordinary resolutions at a Shareholders' general meeting:

- (1) to decide on the Company's business policies and investment plans;
- (2) to elect and replace directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors;
- (3) to consider and approve the reports of the board of directors;
- (4) to consider and approve the report of the board of supervisors;
- (5) to consider and approve the annual financial budgets and final accounts of the Company;
- (6) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (7) to make resolutions on the engagement, removal, discontinuance of engagement of accounting firms by the Company and remuneration matters of the accounting firms;

- (8) to consider and approve matters concerning external guarantees other than paragraph 4 of Article 43 which shall be approved by the Shareholders' general meeting;
- (9) to consider and approve the change in use of proceeds;
- (10) to consider and approve connected transactions, foreign investment, asset mortgage, foreign financing and foreign donation that should be approved by the Shareholders' general meeting as stipulated in the Hong Kong listing regulatory rules;
- (11) to consider share incentive schemes and employee share ownership schemes;
- (12) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, the listing regulatory rules of the Hong Kong Listing Rules or the Articles of Association.

Article 83 The following matters shall be resolved by way of special resolutions at a Shareholders' general meeting:

- (1) to resolve on the increase or reduction of the registered capital of the Company;
- (2) to make resolutions on the issuance of corporate bonds and other securities and the listing;
- (3) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company;
- (4) to amend the Articles of Association;
- (5) to examine the matters relating to the purchases and disposals of the Company's material assets within one year with an amount exceeding thirty percent of the Company's latest audited total assets;
- (6) to consider and approve matters concerning external guarantees other than paragraph 4 of Article 43 which shall be approved by the Shareholders' general meeting;
- (7) other matters requiring approval by special resolutions in accordance with laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a Shareholders' general meeting, will have a material impact on the Company and need to be approved by way of a special resolution.

Article 84 Shareholders (including their proxies) who vote at a Shareholders' general meeting shall exercise their voting rights according to the number of voting shares they represent (except where they are required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the Company's shares are listed), with one vote for each share. On a poll taken at a meeting, a shareholder (including shareholders' proxy) entitled to two or more votes need not cast all his votes in the same way.

When the Shareholders' general meeting considers major matters that affect the interests of small and medium-sized investors, the votes of small and medium-sized investors should be promptly and publicly disclosed in accordance with relevant laws, regulations and the Hong Kong Listing Rules.

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

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders' general meeting for thirty-six months after the purchase.

Shareholders have the right to speak and vote at the Shareholders' general meeting unless an individual shareholder is required to abstain from voting in respect of a particular matter under the listing regulatory rules of the place where the Company's shares are listed, such as a particular shareholder holding a material interest in a particular transaction or arrangement under voting.

In accordance with applicable laws, regulations and the listing regulatory rules of the place where the Company's shares are listed, if any shareholder is required to waive his or her voting rights on certain resolutions or is limited to only cast affirmative or negative votes on certain matters, any shareholder vote or representative vote in violation of relevant regulations or restrictions will not be counted in the voting results.

Article 85 When the Shareholders' general meeting deliberates on connected transactions, affiliated shareholders shall not participate in voting, and shall not represent other shareholders in exercising their voting rights. The number of voting Shares represented by them shall not be included in the total number of valid votes. The announcement of the resolution of the Shareholders' general meeting should fully disclose the voting status of non-connected shareholders.

The board of directors shall judge whether the relevant matters to be submitted to the Shareholders' general meeting constitute connected transactions.

Connected transactions are considered at the Shareholders' general meeting, and the abstention and voting procedures for connected transactions shall be as follows:

- (1) If any matter considered at the shareholders' general meeting is related to any shareholder, such shareholder shall disclose his/her connected relationship to the Company's board of directors prior to the convening of the meeting;
- (2) When any related party transaction is being considered at the shareholders' general meeting, the chairman of the meeting shall announce the shareholders with connected relationships, and explain the related shareholders' relationships with the connected transactions;
- (3) The chairman of the meeting shall request the connected shareholders to abstain, and non-related party shareholders shall consider and vote on the connected transactions; if the chairman of the meeting needs to abstain, the chairman of the meeting shall voluntarily abstain, and shareholders, unrelated directors and supervisors present at the meeting have the right to request the chairman of the meeting to abstain;

- (4) Resolutions on connected transactions shall be passed by more than two-thirds of the voting rights held by non-related party shareholders present at the shareholders' general meeting.
- (5) If a connected shareholder does not voluntarily apply for abstain, other shareholders or shareholders' representatives attending the Shareholders' general meeting shall have the right to request the connected shareholder to abstain. If other shareholders or shareholder representatives make an abstain request, and the requested shareholder considers that he/she does not fall within the scope of the abstain, the chairman of the shareholders' general meeting shall discuss with the on-site directors, supervisors and relevant shareholders as appropriate and make a decision on whether to abstain.
- (6) The connected shareholders who shall abstain from voting may participate in the discussion relating to the connected transaction to which they are connected, explain and illustrate to the Shareholders' general meeting whether such connected transactions are fair and legal as well as the reason for entering into such transactions. However, such shareholder shall have no right in participating the voting of such matters.

Article 86 The list of candidates for director and supervisor shall be proposed to the shareholders' general meeting for voting.

The ways and procedures for nominating directors and supervisors are:

- (1) Candidates for directors of the Company shall be proposed by the board of directors or shareholders individually or jointly holding more than 3% of the Company's shares to the board of directors, and the board of directors shall submit their proposals to the Shareholders' general meeting for election;
- (2) If the candidate for supervisor of the Company is a shareholder representative, it shall be proposed by the shareholders or the board of supervisors who individually or jointly holding more than 3% of the Company's shares, and the board of supervisors shall submit their proposals to the Shareholders' general meeting for election;
- (3) If the candidates for supervisors of the Company are representatives of employees, they shall be admitted to the Supervisory Committee directly after being democratically elected at the employees' congress, the employees' general meeting or other forms;
- (4) The nominator shall provide the board of directors with the resumes and basic information of the candidate for director or supervisor proposed by him/her, and the board of directors shall issue "informative notice of election" prior to the convening of the shareholders' general meeting. The announcement shall disclose in detail the resumes and basic information of the candidates including the number of directors and supervisors elected, the qualifications of the nominators, the qualifications of the candidates, the preliminary examination procedures of the candidates, etc. to facilitate institutional investors and minority shareholders to recommend candidates for directors and supervisors. Prior to the convening of the shareholders' general meeting, the candidates for directors or supervisors shall make a written undertaking, agreeing to accept the nomination, and undertake the truthfulness and completeness of the information of the candidates for directors or supervisors to be disclosed publicly and to ensure that they will perform their duties as a director or supervisor after being elected. During the election of directors at the shareholders' general meeting, the director candidates may speak in person to introduce their own status, work history and work plan after taking office.

The notice period for delivery of the written notice to nominate a person as director and a written notice by that person of his willingness to be nominated shall be at least seven days, which shall commence from the next date after issuance by the Company of the meeting notice in respect of the election, and end no later than seven days prior to the date when the meeting is held.

When election of the directors and supervisors is voted at the shareholders' general meeting, the cumulative voting system shall be implemented.

The "cumulative voting system" referred to in the preceding paragraph means each share shall have the same voting right as the number of directors or supervisors to be elected, when election of directors or supervisors is voted at the shareholders' general meeting. The voting right held by shareholders may be used collectively. The board of directors shall state the resumes and basic particulars of the candidates for directors and supervisors to the shareholders.

The applicable cumulative voting system voted at the shareholders' general meeting shall be conducted under the following principles:

- (1) The number of director or supervisor candidates may exceed the number of persons to be elected at the shareholders' general meeting whereas the number of persons to be elected voted by each shareholder shall not exceed the number of directors or supervisors to be elected at the shareholders' general meeting. The total number of votes attributed may not exceed the number of votes owned by shareholders, otherwise the votes will be invalid;
- (2) Independent non-executive directors and non-independent directors vote separately. When electing an independent non-executive director, each shareholder is entitled to receive the number of votes equal to the number of shares held by him/her multiplied by the number of independent non-executive directors to be elected, during which the votes are only for independent non-executive director candidates of the Company; when electing a non-independent director, each shareholder is entitled to receive the number of votes equal to the number of shares held by him/her multiplied by the number of non-independent directors to be elected, during which the votes are only for non-independent director candidates of the Company;
- (3) The election of director or supervisor candidates are determined in the order of number of votes, while the minimum votes for each elected person shall exceed half of the total number of shares held by shareholders (including proxies) present at the shareholders' general meeting. If the number of elected director or supervisor is lower than the number of director or supervisor candidates to be elected at the shareholders' general meeting, shareholders shall vote again as to the shortage on director or supervisor candidates without enough votes. The Company will conduct an additional election for the next Shareholders' general meeting if the shortage remains. If more than two (2) director or supervisor candidates receive the same votes, while only part of the persons may be elected as limited by the number of election, shareholders shall individually vote again on the election for director or supervisor candidates with same votes.

Article 87 Other than the cumulative voting system, the shareholders' general meeting shall vote on all proposals one by one. Where different proposals for the same issue are proposed, such proposals shall be voted on in the order of time in which they are proposed. Other than special reasons such as force majeure which results in the interruption of the shareholders' general meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not set aside the proposals or withhold from voting.

Article 88 No amendments shall be made to a proposal when it is considered at the shareholders' general meeting. Amended proposal shall be deemed as a new proposal and shall not be voted at the same Shareholders' general meeting.

Article 89 Each voting right shall be exercised either at the meeting or by any of other available means. The first vote shall prevail in cases when a given voting right is exercised repeatedly.

Article 90 Voting is conducted by open ballot at the shareholders' general meeting.

Article 91 Before voting on a proposal at the shareholders' general meeting, two shareholder representatives shall be elected to participate in vote counting and scrutinizing.

When a proposal is voted on at a shareholders' general meeting, the lawyers (if applicable), the counting and scrutinizing officer appointed by the board of directors (if applicable) and the shareholder's representative together with the supervisory representative shall be responsible for counting and scrutinizing the votes, and the results of the vote shall be announced on site, and the results of the vote on the resolution shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxy who vote via other means are entitled to check their votes through the appropriate voting system.

Article 91 The on-site meeting of shareholders' general meeting shall end no earlier than the meeting held otherwise and the presiding officer shall announce the vote and the result of each proposal and, based on the result of the vote, whether the proposal is adopted or not.

Until the official announcement of the voting results, the Company, the vote counters, the scrutineers, the major shareholders, the service provider and other parties involved in the on-site and other voting methods at the Shareholders' general meeting shall be subject to an obligation of confidentiality.

Article 93 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain. Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results. Except where the securities registrar and settlement institution act as the nominal holder (if any) of shares under the connection mechanism of the Mainland and Hong Kong stock markets and makes a declaration in accordance with the intention of the actual holder.

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

Article 94 If the presiding officer is in any doubt as to the result of the resolution submitted for voting, he may organize the votes cast to be count; if the presiding officer fails to conduct a vote count and a shareholder or a shareholder's proxy present at the meeting objects to the announcement of the result by the presiding officer, he shall be entitled to demand a count immediately after the announcement of the result of the vote, and the presiding officer shall organize a vote count immediately.

Article 95 Resolutions of the Shareholders' general meeting shall be announced in a timely manner in accordance with the relevant laws, regulations, departmental rules, regulatory documents, the Hong Kong Listing Rules or the Articles of Association. Such announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them, the percentage of such voting shares in relation to all the voting shares of the Company, the total number of shares required by the Hong Kong Listing Rules to abstain from voting in favor and/or abstain from voting (if any), whether shareholders required to abstain from voting have in fact abstained, the voting method, the voting result of each proposal and the details of each resolution adopted and other content required under the Hong Kong Listing Rules.

The Company shall appoint its accountant, the share transfer agency or an external accountant who is qualified to be an auditor as an inspector for vote counting, and state the identity of the inspector in the announcement. The Company shall state in the announcement whether the persons who indicates in the circular the intention to vote against or abstain from voting for the relevant resolutions as indicated in the circular has acted accordingly at the shareholders' general meetings. The Company shall describe the attendance of directors at the shareholders' general meeting in the announcement of voting results.

Article 96 If any proposal is not passed or the current shareholders' general meeting amends the resolution of the last shareholders' general meeting, special reminder shall be given in the announcement of the resolutions of the shareholders' general meeting.

Article 97 If the shareholders' general meeting adopts the relevant proposals for the election of directors and supervisors, the new directors and supervisors shall assume office on the date of adoption of the resolution at the shareholders' general meeting or the effective date of their appointment as contained in the relevant resolution, until the expiration of the term of office of the current or new session of the board of directors or the supervisory committee.

Article 98 If the shareholders' general meeting adopts the proposal on distribution of cash dividend, share bonus or capitalisation of capital reserves, subject to the laws and regulations as well as the securities regulatory rules of the place where the Company's shares are listed, the Company will implement the specific project within two months after the shareholders' general meeting.

Chapter 5 Board of Directors

Section 1 Directors

Article 99 The directors of the Company shall be natural persons. A person who falls under any of the following circumstances may not serve as a director of the Company:

- (1) a person who has no civil capacity or has limited civil capacity;
- (2) a person who has been subject to criminal penalties due to corruption, bribery, embezzlement or misappropriation of property or sabotaging the socialist market economic order, and is within five years of the expiry date of punishment, or has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence;
- (3) a person who served as a director, the factory chief, or the manager of a company or enterprise bankrupt or liquidated, and was held personally liable for the bankruptcy, and is within three years of the date of completion of the bankruptcy or liquidation of such company or enterprise;
- (4) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and was held personally liable for the revocation, and is within three years of the date on which the business license of such company or enterprise was revoked;
- (5) a person who has defaulted on a personal debt in a significant amount;
- (6) a person who has been banned from entering the securities market by the CSRC and the ban has not expired;
- (7) a person who is banned from doing so as prescribed by laws, administrative regulations, departmental rules or relevant rules of securities regulatory institutions of the place where the Company's shares are listed.

A person who falls under any of the following circumstances may not serve as an independent non-executive director of the Company:

- (1) a person who works in listed companies or subsidiaries of major businesses and their immediate family members, (immediate family members shall include spouse, parents and children);
- (2) a person who directly or indirectly holds 1% or more of the issued share capital of the listed company or is one of the top ten individual shareholders of the listed company or is a lineal relative of such individual shareholder;
- (3) a person who is an employee of an institutional shareholder which directly or indirectly holds 5% or more of the issued share capital of the listed company or is a lineal relative of such employee, or is an employee of one of the top five institutional shareholders of the listed company or is a lineal relative of such employee;

- (4) has any of the three factors listed above in the past one year;
- (5) provides financial, legal, consulting services to the listed company or their respective subsidiaries;
- (6) other personnel required by laws, administrative regulations and departmental rules;
- (7) other personnel as stipulated in the Articles of Association;
- (8) other personnel recognized by the CSRC or the listing regulatory rules of the place where the Company's shares are listed.

If a director is elected or appointed in violation of the provisions of this Article, such election, appointment or employment shall be null and void. The Company shall dismiss a director from office if the circumstances under this Article arise during his or her term of office.

Article 100 Directors shall be elected or replaced at the shareholders' general meeting. The term of office of a director shall be three years, and shall be renewed upon the expiration of the term of office if he or she is re-elected. In case the term of office of any independent non-executive director exceeds six years, the term of office of the director shall only be renewed after fulfilling the corresponding review and consideration procedure regulated by the Hong Kong Listing Rules.

The term of office of a director shall be calculated from the date of duty assumption until the expiration of the term of office of the current session of the board of directors. In the event re-election is not held in time upon the expiry of the term of office of directors, the original directors shall fulfill duties of directors according to laws, administrative regulations, departmental rules and the Articles of Association before the newly appointed or elected directors assumes the office.

Subject to any violation against the laws, administrative regulations and regulatory provisions of the place where the Company's shares are listed, if the board of directors appoints any new director to fill any casual vacancy of the board of directors or to increase the number of members on the board of directors, the term of office of the newly appointed director shall expire on the first shareholders' general meeting after the appointment. At the same time, such director shall be eligible for re-election.

The general manager or other senior management personnel may concurrently serve as a director, provided that the total number of directors who also hold the position of general manager or other senior management personnel shall not exceed one-half of the total number of directors of the Company.

Directors are not required to hold shares of the Company.

The Company shall have at least three independent non-executive directors. Independent non-executive directors account for at least one-third of the board of directors. At least one of the Company's independent non-executive directors has appropriate accounting or related financial management expertise. Independent non-executive directors should have sufficient commercial or professional experience to perform their duties, carry out duties faithfully, safeguard the interests of the Company and pay close attention to the protection of the legal rights and interests of the public shareholders from detriment, to ensure that the interests of all shareholders are adequately represented. At least one independent non-executive director is ordinarily resident in Hong Kong.

Article 101 Directors shall observe the laws, administrative regulations, and the provisions of the Articles of Association and the Hong Kong Listing Rules, and shall bear the following obligations of loyalty to safeguard the interests of the Company:

- (1) Directors shall not take advantage of their powers to receive any bribes or other illegal income, and shall not embezzle any property of the Company;
- (2) Directors shall not to use their position to impair the interests of the Company for the benefit of the actual controllers, shareholders, employees, themselves or other third parties of the Company;
- (3) Directors shall not misappropriate funds of the Company or seize properties of the Company;
- (4) Directors shall not deposit any assets or funds of the Company in any accounts opened in their own names or in the name of any other persons;
- (5) Without the consent of the shareholders' general meeting or the board of directors, directors of the Company shall not lend any funds of the Company to other persons or provide guarantee for any other persons with the assets of the Company in violation of the Articles of Association;
- (6) Directors shall not enter into any contracts or transactions with the Company in violation of the provisions of the Articles of Association or without the consent of the shareholders' general meeting;
- (7) Without the consent of the shareholders' general meeting, directors shall not take advantage of their powers to pursue any business opportunities that should belong to the Company for themselves or other persons and shall not operate the same type of business with the Company on their own or for others;
- (8) Directors shall not pocket commissions from the transactions with the Company;
- (9) Directors shall not disclose any confidential information of the Company without authorization;
- (10) Directors shall not utilize its related party relationship to compromise the interest of the Company;
- (11) Directors shall safeguard the Company's financial security, shall not assist in or connive at the embezzlement of Company's assets by the controlling shareholder or its affiliates;
- (12) Directors shall bear other obligations of loyalty specified by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Any income derived by a director from violating the provisions of this Article shall belong to the Company. The director shall also be liable for the compensation of the losses suffered by the Company thereto.

Article 102 Directors shall comply with the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association, and shall bear the following duty of due diligence to the Company and safeguard the interests of the Company:

- (1) Directors shall prudently, seriously and diligently exercise rights conferred by the Company to ensure that the business activities of the Company are in compliance with the requirements of laws, administrative regulations and various economic policies of the State and that the business activities shall not exceed the scope of business specified in the business license of the Company;
- (2) Directors shall fairly treat all shareholders of the Company;
- (3) Directors shall learn about the status of business and management of the Company in a timely manner;
- (4) Directors shall issue a written confirmation of opinions for regular reports of the Company and ensure the authenticity, accuracy and completeness of information disclosed by the Company;
- (5) Directors shall truthfully provide the relevant information and materials to the board of supervisors, and shall not hinder the board of supervisors or any supervisors from exercising their powers;
- (6) Directors shall fulfill other duty of due stipulated by laws, administrative regulations, departmental rules, the CSRC, the Hong Kong Stock Exchange, the Hong Kong Listing Rules, and the Articles of Association.

Article 103 Any director (other than independent non-executive directors) who fails to attend two consecutive meetings of the board of directors in person and fails to appoint any other directors to attend on his behalf shall be deemed to be unable to perform his or her duties. The board of directors shall propose to the shareholders' general meeting to remove such director. If any independent non-executive director has not attended the board meetings in person for three times consecutively, the board of directors shall propose to the shareholders' general meeting for the removal of such independent non-executive director.

Article 104 A director may resign before the expiration of his or her term of office. The director shall submit a written resignation report to the board of directors. The board of directors will disclose such information in accordance with applicable laws and regulations and the requirements of the Hong Kong Listing Rules.

If the number of directors falls below the quorum because reelection is not timely conducted upon expiry of the term of office of a director, or resignation of a director during his term of office, then such director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles of Association until a new director is elected and assumes his/her office.

Except for the circumstances specified in the preceding paragraph, the resignation of the director shall become effective when the resignation report is delivered to the board of directors.

Where unless otherwise provided by relevant laws, administrative regulations, relevant regulations of the security regulatory authorities in the place where the Company's shares are listed, a director can be removed by ordinary resolution passed on a shareholders' general meeting before the expiry of his term of office (but such removal does not prejudice the director's claim for damages pursuant to any contract).

Article 105 On a director's resignation becoming effective or expiration of the tenure of his/her office, the director shall complete all handover procedures, and his/her faithful obligations to the Company and the shareholders shall not cease immediately after the termination of tenure. Director's obligation to maintain confidentiality of the Company's commercial and technical secrets shall remain in force after the termination of his employment until such secrets become public information. The duration of other loyalty obligations will be determined by the Company in accordance with the principle of arm's length. After resignation, a director shall not use the core technology of the Company to engage in the same or similar business as the Company.

Article 106 Unless otherwise specified in the Articles of Association or duly authorized by the board of directors, no director shall act on behalf of the Company or the board of directors in his personal capacity. When a director acts in his or her personal capacity, and a third party may reasonably believe that such directors is acting on behalf of the Company or the board of directors, the director shall declare his or her stance and capacity in advance.

Article 107 If the Company suffers any losses due to a director's violation of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association in fulfilling their duties, the director shall be liable for compensation.

Article 108 The Company has independent non-executive directors. Except as otherwise provided in this section, the qualifications and obligations of directors under Chapter V of the Articles of Association shall be applied to independent non-executive directors, unless otherwise stipulated by the relevant laws, regulations and the listing supervision rules of the place where the Company's shares are listed for the qualifications and obligations of the independent non-executive directors.

Article 109 The matters relating to independent non-executive directors of the Company shall be carried out according to laws, administrative regulations and regulations of the relevant regulatory authority and stock exchange, and shall be regulated in details in the work system of independent non-executive directors of the Company.

The Company and its senior management shall actively cooperate with the independent non-executive directors in performing their duties. Reasonable expenses incurred by the independent non-executive directors in exercising their powers shall be borne by the Company.

Article 110 The Company has established an evaluation mechanism for independent non-executive directors to assess the performance of their statutory duties, maintenance of independence, attendance of meetings, actual working hours and participation in training by independent non-executive directors.

At the annual shareholders' general meeting of the Company, independent non-executive directors shall submit their yearly work reports, make a statement on their fulfilment of duties, and pay special attention to the internal control and standardized operation of companies, protection of rights and interests of medium and small investors, and other matters relating to the governance of the Company.

Section 2 Board of Directors

Article 111 The Company shall set up a Board of directors which shall be accountable to the General Meeting. The Board of directors shall conscientiously perform its duties stipulated in relevant laws, administrative regulations, departmental rules, normative documents and this Articles of Association, and ensure that the Company complies with the provisions of laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and this Articles of Association. All shareholders shall have equal rights and the Board of directors shall safeguard the legal rights of other stakeholders.

Article 112 The Board of directors consists of 9 directors, including 3 independent non-executive directors, who were elected by the General Meeting. At any time, the number of independent non-executive directors shall not be less than three and shall account for more than one-third of the total number of the Board of directors.

Article 113 The Board of directors exercises the following functions and powers:

- (1) to be responsible for the convening of general meetings and report its work to the general meetings;
- (2) to implement resolutions of the 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 plans and loss recovery plans;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;
- (7) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;
- (8) to examine and approve connected transactions, foreign investment, asset mortgage, foreign financing and foreign donation that should be approved by the Board of directors as stipulated in the Hong Kong listing regulatory rules;
- (9) to examine external guarantee matters other than those that need to be examined and approved by the General Meeting of the Company;
- (10) to review the purchase and sale of assets other than those that require review and approval by the General Meeting of the Company;
- (11) to decide on establishment of the Company's internal management organizations;

- (12) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (13) to formulate the basic management system of the Company;
- (14) to formulate plans for the establishment of special committees under the Board of directors and submit them to the General Meeting for approval, and to decide on the selection and appointment of personnel of the special committees under the Board of directors;
- (15) to develop the Company's basic management system;
- (16) to formulate proposals for any amendment to the Articles of Association;
- (17) to manage the information disclosure of the Company;
- (18) to propose to the General Meeting the appointment or replacement of an accounting firm that audits the Company;
- (19) to listen to the work report of the general manager of the Company and inspect the work of the general manager;
- (20) other functions and powers conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

Matters beyond the scope of authorization of the General Meeting as prescribed in the preceding paragraph of this Article, as well as matters required to be submitted to the General Meeting for consideration and approval pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association shall be submitted by the Board of directors to the General Meeting for consideration and approval.

Article 114 The Board of directors shall determine the authority of external investment, external financing, asset mortgage, acquisition or sale of assets, external guarantee, connected transaction and external donation, and establish strict review and decision-making procedures. Where there are special provisions upon relevant matters under relevant laws, administrative regulations, departmental rules, other regulatory documents and the Articles of Association, the special provisions shall be implemented.

Article 115 The Board of directors of the Company shall review and assess the protection of shareholders' interests by the Company's governance mechanism and the legality and effectiveness of the Company's governance structure.

Article 116 The Board of directors of the Company shall make an explanation to the General Meeting on the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 117 The Board of directors formulates the rules of procedure of the board meetings to ensure that the Board of directors implements the resolutions of the General Meetings, improves work efficiency, and ensures scientific decision-making.

Article 118 The Board of directors shall have one chairman, who shall be elected by the Board of directors with approval from more than half of all the directors.

Article 119 The chairman of the Board shall exercise the following powers:

- (1) to preside over the General Meeting and convene and preside over the meetings of the Board of directors;
- (2) to supervise and inspect the implementation of the resolutions of the Board of directors;
- (3) other functions and powers as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association or conferred by the Board of directors.

Article 120 The chairman of the Board of directors shall make decisions prudently in the event of matters that may have a significant impact on the Company's operations when exercising powers within the scope of his duties and powers (including authorization), and shall submit to the Board of directors for collective decision-making when necessary. The chairman of the Board of directors shall inform all directors of the implementation of the delegated matters in a timely manner.

If the chairman is unable to perform his duties or fails to perform his duties, more than half of the directors shall jointly nominate one director to perform his duties.

Article 121 Meetings of the Board of directors shall be held at least four times a year, which shall be convened by the chairman of the board and shall be notified to all directors and supervisors in writing (such as personal delivery, post, fax, etc.), 14 days before the meeting (excluding the date of the meeting), by telephone, e-mail, etc.

Article 122 Shareholders representing more than one-tenth of the voting rights, or more than one-third of the directors or the Supervisory Committee may propose to convene an extraordinary meeting of the board when deemed necessary. The chairman of the Board of directors shall convene and preside over the board meeting within 10 days after receiving the proposal.

Article 123 The notice of an extraordinary meeting of the board shall be in writing (including by hand, by post, by fax, etc.) or by telephone. The time limit for the notice is as follows: 5 days before the meeting is convened, all directors, supervisors, general manager and secretary to the board shall be notified. If an extraordinary meeting of the board needs to be convened as soon as possible in an emergency, a notice of the meeting may be given by telephone or other verbal means, and the meeting shall be convened immediately, provided that the convener shall make an explanation at the meeting.

Article 124 The notice of the board meeting shall include the following:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) reasons and issues;
- (4) the date on which the notice is issued.

Article 125 A meeting of the Board of directors shall be held only when more than half of the directors are present. A resolution of the board must be passed by more than half of all directors.

As for the voting on a board resolution, each director shall have one vote only.

Article 126 Where a director, supervisor, general manager and other senior management personnel of the Company has a material interest, directly or indirectly, in a contract, transaction or arrangement entered into or planned to enter into with the Company (except for the employment contract between the Company and the director, supervisor, general manager or other senior management personnel), the nature and extent of such interest shall be disclosed to the Board of directors as soon as possible, regardless of whether the relevant matter normally requires the approval of the Board of directors. Where a director or his/her associate (as defined in the Hong Kong Stock Exchange Listing Rules in force from time to time) has a connection or interest in a matter or enterprise involved in a resolution of a meeting of the Board of directors, except as permitted by laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, (i) such director shall not exercise voting rights on such resolution, nor shall he/she exercise voting rights on behalf of other directors; (ii) such director shall not be counted in determining whether a quorum is present at such meeting of the Board of directors, and such board meeting may be held with the attendance of more than half of the non-connected directors, and resolutions made at such board meeting shall be approved by more than half of the non-connected directors; (iii) if the number of non-connected directors present at the board meeting is less than 3, such matter shall be submitted to the General Meeting for deliberation. The Board of directors' vote on "connected transactions" under the Hong Kong Stock Exchange Listing Rules should comply with relevant provisions of the Hong Kong Stock Exchange Listing Rules.

Article 127 The resolution of the board shall be voted in writing unless more than half of the directors present at the meeting agree to vote by a show of hands.

On the premise of ensuring that directors can fully express their opinions, an extraordinary meeting of the Board of directors may be held in writing (including delivering meeting materials by hand, by post, by fax, by email, etc.) or by telephone conference (or with the help of similar communication equipment) instead of holding an on-site meeting. The secretary of the Board of directors shall prepare the board resolution after the meeting and submit it to the attending directors for signature.

The directors shall sign the resolutions of the Board of directors and shall be responsible for the resolutions of the Board of directors. If the resolution of the Board of directors violates the laws, regulations or the Articles of Association and causes the Company to suffer losses, the directors participating in the resolution shall be liable for compensation to the Company. However, if it is proved that a director had expressed objections during the vote and recorded them in the meeting minutes, the director may be exempted from liability.

Article 128 The board meetings shall be attended by the directors in person; the directors shall prudently select and entrust other directors in writing to attend and vote on their behalf. Independent non-executive directors should entrust other independent non-executive directors to attend on their behalf. The power of attorney shall state the name of the agent, the agency matters, the scope of authorization and the validity period, and shall be signed or sealed by the principal. Where voting matters are involved, the principal shall expressly agree, disagree or abstain from voting on each matter in the power of attorney. A director shall not make or accept a proxy without voting intention, a discretionary proxy or a proxy with an unclear scope of power. No director shall be entrusted by more than two directors to attend the board meeting on their behalf. The Directors attending the meetings on behalf of others shall exercise the rights of directors within the scope of authorization.

If a director fails to attend the meeting of the Board of directors and is unable to entrust another director to attend the meeting on his behalf, the Board of directors shall provide electronic means of communication to ensure that such director perform his duties. If a director fails to attend a meeting of the Board of directors and does not entrust a representative to attend the meeting, he shall be deemed to have waived his rights to vote at such meeting.

Article 129 The Board of directors shall make minutes of the decisions on the matters discussed at the meeting, and the directors, board secretary and recorder who attended the meeting shall sign the minutes. Directors shall be responsible for the resolutions of the Board of directors. If the resolution of the Board of directors violates the law, administrative regulations or the Company's Articles of Association, causing the Company to suffer serious losses, the directors who participated in the resolution shall be liable for compensation to the Company. However, if it is proved that the director had expressed objections during the vote and recorded them in the meeting minutes, the director may be exempted from liability.

Minutes of the board meetings shall be kept as company files for a period of no less than 10 years.

Article 130 The minutes of the board meetings shall include the following:

- (i) the date, location and name of the convener of the meeting;
- (ii) the names of the directors present and the names of the directors (agents) entrusted by others to attend the board meeting;
- (iii) the agenda of the meeting;
- (iv) the main points of the directors' speeches;
- (v) the voting method and results of each resolution (the voting results shall state the number of votes for, against or abstention).

Article 131 The Board of directors shall actively provide new directors with the opportunity to participate in the trainings organized by the securities regulatory authorities, and urge the directors to become familiar with the spirit of the relevant laws, regulations and normative documents related to the performance of their duties as soon as possible.

Section 3 Special Committees

Article 132 The Board of directors of the Company has established an audit committee, a nomination committee and a remuneration committee. These special committees are accountable to the Board of directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of directors. Proposals shall be submitted to the board for deliberation and decision. The members of the special committees are all Directors. The chairman of the audit committee shall be appointed by the Board of directors and shall be an independent non-executive director. The chairman of the audit committee shall be an accounting professional and has the appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules. The chairman of the nomination committee must be the chairman of the Board of directors or an independent non-executive director among the members of the nomination committee and appointed by the Board of directors. The chairman of the remuneration committee shall be appointed by the Board of directors and must be an independent non-executive director. The Board of directors is responsible for formulating the working procedures of the special committees and regulating the operation of the special committees.

Article 133 Each special committee are accountable to the Board of directors, and the proposals of each special committee shall be submitted to the Board of directors for review and decision. Each special committee may engage an intermediary agency to provide professional advice at the Company's expense.

Chapter 6 Party Organization

Article 134 The Company has established a general branch of the Communist Party of China (CPC) in accordance with the Constitution of the Communist Party of China. In principle, the secretary of general branch of the CPC shall be the chairman of the Company who is a Party member, and the deputy secretary of general branch of the CPC shall be the general manager of the Company who is a Party member. The number of general branch of the CPC committee members of the Company shall be set according to the approval of the superior Party organization and shall be elected in accordance with regulations. The Company adhere to and improve the leadership system of “two-way entry and cross-appointment (雙向進入、交叉任職)”. Qualified members of the general branch of the CPC leadership team shall enter the Board of directors, Supervisory Committee, and management level through legal procedures. Qualified Party members among the members of the Board of directors, Supervisory Committee, and management level shall enter the general branch of the CPC committee in accordance with relevant regulations and procedures. Members of the general branch of the CPC leadership team who enter the Board of directors, Supervisory Committee, and management level must implement the decisions of the Party organization.

Article 135 The Company's general branch of the CPC thoroughly studies and implements Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era (習近平新時代中國特色社會主義思想), strengthens the “Four Consciousnesses (四個意識)”, firms up the “Four Self-confidences (四個自信)”, and achieves the “Two Safeguards (兩個維護)”. It adheres to and strengthens the Party's overall leadership, promotes the deepening of enterprise reforms, and provides strong political and organizational guarantees for strengthening, optimizing and expanding state-owned capital.

Article 136 The Company's general branch of the CPC carries out work around the Company's production and operation, plays the role of a fighting fortress, and ensures and supervises the implementation of various policies and guidelines of the Party and the State in the Company. The main responsibilities are:

- (1) Study, publicize and implement the Party's theories, lines, principles and policies, publicize and implement the resolutions of the Party Central Committee, higher-level Party organizations and this organization, and unite and lead the workers and the masses to complete the tasks of this unit.
- (2) Participate in the decision-making of major issues of this unit in accordance with regulations, and support the person in charge of this unit in carrying out work.
- (3) Do a good job in educating, managing, supervising, serving and developing Party members, strictly implement the Party's organizational life, organize Party members to be the first and strive for excellence, and give full play to the vanguard and exemplary role of Party members.
- (4) Keep close contact with the masses of workers, promote the resolution of the reasonable demands of the masses of workers, and do a good job in ideological and political work. Lead the trade union, the Communist Youth League, women's organizations and other mass organizations of this unit, and support them to carry out their work independently and responsibly in accordance with their respective articles of association.
- (5) Supervise Party members, cadres and other staff of the enterprise to strictly abide by national laws and regulations, enterprise financial and personnel systems, and safeguard the interests of the state, the collective and the masses.
- (6) Seek facts and make suggestions on Party building and Party work, and report important situations to the higher-level Party organizations in a timely manner. Inform Party members and the masses about the Party's work in accordance with regulations.

Article 137 Major business management matters of the Company must be studied and reviewed by the Company's general branch of the CPC committee before being decided by the Board of directors or management. The matters to be studied and reviewed mainly include:

- (1) Major measures to implement the decisions and arrangements of the Party Central Committee and to implement the national development strategy.
- (2) Enterprise development strategies, medium and long-term development plans and important reform plans;
- (3) The principled directional issues in the enterprise's asset restructuring, transfer of property rights, capital operation and large-amount investment;
- (4) The establishment and adjustment of the organizational structure of the enterprise and the formulation and amendment of important rules and regulations;

- (5) Significant matters involving enterprise safety in production, maintenance of stability, employees' rights and interests, social responsibilities, etc.;
- (6) Other important matters that shall be studied, reviewed and considered by the general branch of the CPC committee.

The general branch of the CPC should formulate special rules of procedure, study and review the list of matters and other related supporting work systems to ensure scientific decision-making and efficient operation.

Article 138 The Company should simultaneously plan the strengthening and improvement of Party building and the central work of production and operation, simultaneously set up Party organizations and working institutions, simultaneously assign Party organization leaders and Party workers, and simultaneously carry out various work of the Party. The company's general branch of the CPC has set up a Party and mass work office as a working department, which is mainly responsible for the implementation of the daily work of the Company's general branch of the CPC.

Article 139 The Company should include the Party building expenses in the Company's annual budget and deduct them from the Company's management fees to ensure that there is sufficient funding for Party building. Full-time Party cadres should be assigned according to actual work needs to ensure that there is sufficient manpower for Party building.

Article 140 The Company's general branch of the CPC should follow the relevant provisions of the Constitution of the Communist Party of China, strengthen its own construction and grassroots branch construction, earnestly carry out various tasks, give full play to the role of the Party organization as a fighting fortress, and lead Party members to play a vanguard and exemplary role. The Company's general branch of the CPC should conscientiously perform the main responsibility of comprehensively and strictly governing the Party, and integrate the requirements of comprehensively and strictly governing the Party into the Company's business management work, maintain a good environment of clean and upright atmosphere, and ensure the healthy and sustainable development of the Company.

Chapter 7 General Manager and Other Senior Management Personnel

Article 141 The Company shall have one general manager, who is nominated by the chairman and appointed or dismissed by the Board of directors.

The Company may have several deputy general managers according to business and management needs, who are appointed or dismissed by the Board of directors.

The general manager, deputy general manager(s), chief financial officer and secretary of the Board of directors are the Company's senior management personnel.

Article 142 The provisions of the Articles of Association regarding the duties of loyalty and diligence of directors also apply to senior management personnel.

Article 143 Personnel who hold administrative positions other than directors and supervisors in the Company's controlling shareholders or actual controller's entity shall not serve as senior management personnel of the Company. Senior management personnel of the Company shall only receive salary from the Company and shall not be paid by the controlling shareholders on its behalf. Senior management personnel of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or violate the obligation of good faith, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

Article 144 The term of office of the general manager is 3 years, and the general manager can be re-appointed.

Article 145 The general manager is accountable to the Board of directors and exercises the following powers:

- (1) preside over the Company's production and operation management, organize and implement the resolutions of the Board of directors, and report to the Board of directors;
- (2) organize and implement the Company's annual operating plan and investment plan;
- (3) formulate the Company's internal management organization establishment plan;
- (4) formulate the Company's basic management system;
- (5) formulate the Company's specific regulations;
- (6) propose to the Board of directors to appoint or dismiss the Company's deputy manager and financial director;
- (7) decide to appoint or dismiss responsible management personnel other than those who should be appointed or dismissed by the Board of directors;
- (8) decide on matters such as external guarantees, external investments, external financing, purchase or sale of assets, asset mortgages, related transactions, which are not required to be submitted to the General Meeting, the Board of directors and the chairman for approval;
- (9) other functions and powers granted by the Articles of Association and the Board of directors and the chairman.

The general manager may attend the board meetings, but the general manager, not being a director, shall not have the right to vote at the meetings of the Board of directors.

Article 146 The general manager shall report to the Board of directors or the Supervisory Committee on the signing, implementation, use of funds and profit or loss of the Company's material contracts. The general manager must ensure the authenticity of the report.

Article 147 The general manager shall formulate the working rules of the general manager, which shall be implemented after the approval of the Board of directors.

Article 148 The working rules of the general manager include the following:

- (1) conditions, procedures and attendees of the general manager meeting;
- (2) the specific duties and division of labor of the general manager and other senior management personnel;
- (3) the use of the Company's funds and assets, the authority to sign of major contracts, and the reporting system to the Board of directors and the Supervisory Committee;
- (4) other matters as deemed necessary by the Board of directors.

Article 149 The Company has several deputy general managers, who are nominated by the general manager and appointed or dismissed by the Board of directors. The deputy general managers are directly accountable to the general manager, report to him, and perform relevant duties in accordance with the establishment of the Company's internal management structure.

The deputy general manager assists the general manager in his work. The appointment and removal procedures and powers of the deputy general manager are stipulated in the working rules of the general manager.

The general manager may resign before the end of his term. The specific procedures and methods for the resignation of the general manager are stipulated in the labor contract between the general manager and the Company.

Article 150 The Company has a board secretary who is responsible for the preparation of the General Meeting and board meetings of the Company, files keeping, and shareholder information management, as well as handling information disclosure matters.

Article 151 When exercising their powers, senior management personnel shall perform their duties of honesty and diligence in accordance with the provisions of laws, administrative regulations, departmental regulations, the Hong Kong Listing Rules and the Articles of Association.

If senior management personnel violate the provisions of laws, administrative regulations, departmental regulations or these Articles of Association when performing their duties and cause losses to the Company, they shall be liable for compensation.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or violate their obligations of honesty and cause damage to the interests of the Company and public shareholders, they shall bear liability for compensation in accordance with the law.

Article 152 A senior manager shall submit a written resignation report when resigning. The senior manager shall state in the resignation report the time of resignation, the reason for resignation, the position resigned, whether he will continue to work in the Company after resignation (if he continues to work, he shall state the situation of his continued employment), etc. If the reason for resignation may involve violations of laws and regulations or irregular operations by the Company or other directors, supervisors, and senior managers, the senior manager who proposes to resign shall report to the Board of directors in a timely manner.

The resignation of a senior manager shall take effect when his resignation report is delivered to the Board of directors. He shall make good handover of work when leaving the Company to ensure the normal production and operation of the Company. His confidentiality obligations for the Company secrets remain valid after his resignation or the end of his term of office until the secret becomes public information, and he shall strictly perform the obligations agreed with the Company such as prohibiting competition in the same industry.

Chapter 8 Supervisory Committee

Section 1 Supervisors

Article 153 The provisions of the Articles of Association regarding the prohibition of serving as a director also apply to supervisors. Directors, general manager and other senior management personnel may not concurrently serve as supervisors during their term of office.

Article 154 Supervisors shall abide by laws, administrative regulations, relevant provisions of Hong Kong securities regulatory authorities and the Articles of Association, and shall have a duty of loyalty and diligence to the Company. They shall not use their power to accept bribes or other illegal income, and shall not embezzle the Company's property.

Article 155 The term of office of the Supervisors is 3 years. Supervisors are eligible for re-election upon expiry of their term of office.

Article 156 Where a supervisor fails to be re-elected in a timely manner upon expiration of the term of office, or the resignation of a supervisor during the term of office results in the number of members of the Supervisory Committee being less than the quorum or the number of employee representative supervisors is less than one-third of the members of the Supervisory Committee, the former supervisor shall still perform the duties of a supervisor in accordance with the provisions of laws, administrative regulations and the Articles of Association before the re-elected supervisor takes office.

Supervisors may resign before the expiration of their term of office. Supervisors who resign shall submit a written resignation report to the Supervisory Committee and state in the resignation report the time of resignation, the reason for resignation, the position resigned, whether they will continue to work in the Company after resignation (if they continue to work, they shall state the situation of their continued employment), etc.

Except in the following circumstances, the resignation of a supervisor shall take effect when the resignation report is delivered to the Supervisory Committee:

- (i) The resignation of a supervisor results in the number of members of the Supervisory Committee being less than the statutory minimum number;
- (ii) The resignation of an employee representative supervisor results in the number of employee representative supervisors being less than 1/3 of the members of the Supervisory Committee.

In the above circumstances, the resignation report shall only take effect after the next supervisor fills the vacancy caused by his resignation. The Company shall complete the by-election within 2 months. Before the resignation report takes effect, the supervisor who intends to resign shall continue to perform his duties in accordance with the relevant laws, administrative regulations and the provisions of the Articles of Association.

Article 157 The supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 158 The supervisor may attend the Board meetings and raise questions or suggestions on the matters resolved by the Board of directors.

Article 159 Supervisors shall not use their connections to harm the interests of the Company. If they cause losses to the Company, they must bear liability for compensation.

Article 160 If a supervisor violates laws, administrative regulations, departmental rules, relevant regulations of the Hong Kong securities regulatory authorities or the provisions of the Articles of Association when performing his duties in the Company and causes losses to the Company, he shall bear liability for compensation.

Section 2 Supervisory Committee

Article 161 The Company shall have a supervisory committee. The Supervisory Committee shall consist of 3 supervisors, and there shall be 1 chairman. The chairman of the Supervisory Committee shall be elected by more than half of all supervisors. The chairman of the Supervisory Committee shall convene and preside over the meetings of the Supervisory Committee. If the chairman of the Supervisory Committee is unable to perform his duties or fails to perform his duties, more than half of the supervisors shall jointly elect one supervisor to convene and preside over the meetings of the Supervisory Committee.

The Supervisory Committee consists of shareholder representatives and employee representatives, including 2 shareholder representatives nominated by the Company's shareholder, Xi'an Kingfar Group Co., Ltd. (西安經發集團有限責任公司) and elected and removed by the General Meeting, and 1 employee representative. The proportion of employee representatives in the Supervisory Committee shall not be less than 1/3, and shall be democratically elected and removed by the Company's employee representative meeting.

Article 162 The Supervisory Committee shall be accountable to the General Meeting and shall exercise the following powers in accordance with the law:

- (1) Review the Company's regular reports prepared by the Board of directors and provide written review opinions;
- (2) Examine the financial affairs of the Company;
- (3) Supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the General Meetings;
- (4) demand rectification from a director or senior manager when the acts of such persons are detrimental to the interests of the Company;
- (5) Propose the convening of extraordinary General Meetings and to summon and preside over General Meetings when the Board fails to perform the duty of summoning and presiding over General Meetings under the Company Law;

- (6) Submit proposals to the General Meeting;
- (7) Initiate proceedings against directors and senior management in accordance with Article 151 of the Company Law;
- (8) Investigate any irregularities identified in the operation of the Company; if necessary, to engage professional institutions such as accounting firms and law firms to assist its work at the expense of the Company;
- (9) Other powers granted by the Articles of Association, the General Meeting and the Hong Kong Listing Rules.

Article 163 The Supervisory Committee shall hold at least one meeting every six months. Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee.

When holding a regular meeting of the Supervisory Committee, the meeting notice shall be delivered to all supervisors 10 days in advance; when holding an extraordinary meeting, the meeting notice shall be delivered to all supervisors 3 days in advance. If the situation is urgent and an extraordinary meeting of the Board of directors needs to be held as soon as possible, the meeting notice may be issued at any time by oral or telephone or other means, but the convener shall make an explanation at the meeting.

The matters discussed at the meeting of the Supervisory Committee shall be voted on by registered name or by a show of hands, and each supervisor shall have one vote. The resolution of the Supervisory Committee shall be adopted by more than half of the supervisors.

Article 164 The Supervisory Committee shall formulate the rules of procedure for the Supervisory Committee to clarify the meeting methods and voting procedures of the Supervisory Committee, so as to ensure the efficiency of the Supervisory Committee's work and scientific decision-making.

Article 165 The Supervisory Committee shall record the decisions of the matters discussed in the meeting, and the supervisors present at the meeting shall sign the meeting minutes. The supervisors have the right to request that some explanatory record of their speeches at the meeting be made in the minutes. The minutes of the Supervisory Committee's meetings shall be kept as company files for at least 10 years.

Article 166 The notice of meeting of the Supervisory Committee shall include the following:

- (1) the date, place and duration of the meeting;
- (2) Reasons and issues;
- (3) The date on which the notice is issued.

Chapter 9 Financial and Accounting System, Profit Distribution and Audit

Section 1 Financial and Accounting System and Profit Distribution Systems

Article 167 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions of the relevant authorities of the PRC.

Article 168 The Company shall prepare financial and accounting reports at the end of each fiscal year, and such financial and accounting report shall be audited by an accounting firm in compliance with laws. Financial and accounting reports are prepared in accordance with laws, administrative regulations and the provisions of departmental regulations and Hong Kong Listing Rules.

Article 169 The Company shall submit, disclose and/or deliver the annual report, interim report and preliminary results announcement and other documents to shareholders in accordance with laws, administrative regulations, the provisions of CSRC and securities regulatory rules of the place(s) where the shares of the Company are listed.

Article 170 The board of directors shall submit the financial report prepared by the Company under relevant laws, regulations, rules and normative documents to shareholders at each annual general meeting.

The financial report of the Company shall be kept at the Company and shall be made available to the shareholders twenty days before the annual General Meeting is held.

Article 171 The Company shall deliver the report mentioned above or the report of the board of directors together with the balance sheet (including all documents which are required to be attached to the balance sheet under the laws) and profit and loss statement or statement of income and expenditure to shareholders by any means permitted by the Hong Kong Stock Exchange (including but not limited to post, email, fax, announcement, etc.) at least twenty-one days before the convening of the annual General Meeting. If sent by paid mail to the shareholders of H Shares, the address of the recipient shall be the registered address as shown on the register of shareholders. When the shareholders of H Shares meet the conditions required by laws, administrative regulations and requirements of the Hong Kong securities regulatory institutions, delivery may be made by means of publication on the website of the Company, the website of the Hong Kong Stock Exchange and other websites prescribed by the Hong Kong Listing Rules from time to time.

Article 172 The Company shall not establish accounting book other than those required by laws. No assets of the Company shall be deposited under any account opened in the name of any individual.

Article 173 The Company shall, when distributing its after-tax profits of the year, withdraw 10% of the profits into the Company's statutory reserve fund. The Company may not withdraw a statutory reserve fund if the cumulative amount has reached 50% or more of the Company's registered capital.

If the Company's statutory reserve fund could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing, according to the foregoing provision, the statutory reserve fund.

After the Company has withdrawn the statutory reserve fund from the after-tax profits, the Company may also withdraw discretionary statutory reserve fund from the after-tax profits upon the approval of the General Meeting.

After losses have been covered and the statutory reserve fund has been allocated, if any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

Where the General Meeting distributes profits to shareholders before losses have been covered and the statutory reserve fund has been allocated, which is in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 174 The reserve fund of the Company shall be applied to make good the Company's losses, expand its business operations or increase its capital.

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

Article 175 After the General Meeting of the Company adopts a profit distribution plan by way of resolution, the board of directors shall promptly complete the distribution of dividends (or shares) within two months of the convening of General Meeting.

Article 176 The Company may distribute dividend in the form of one of the following:

- (I) cash;
- (II) shares.

The cash dividend and other amount paid by the Company to the shareholders of unlisted shares shall be denominated and declared in Renminbi and paid in Renminbi. The cash dividend and other amounts paid by the Company to the shareholders of H Shares shall be denominated and declared in Renminbi and paid in Hong Kong Dollars. The cash dividend and other amounts paid by the Company to the shareholders of H Shares shall be handled in accordance with any related national regulations on foreign exchange control.

Article 177 Subject to the relevant laws, regulations, rules and normative documents, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.

Section 2 Internal Audit

Article 178 The Company shall implement the internal audit system and is equipped with full-time auditing staff to conduct internal audit and supervision regarding the Company's financial income and expenses, and economic activities.

Article 179 The internal audit system of the Company and the duties of the auditing staff shall be implemented upon the approval of the board of directors. The officer in charge of internal audit shall be accountable to the board of directors and report his or her work to the same.

Section 3 Appointment of Accounting Firm

Article 180 The Company shall appoint such accounting firm which complies with laws and regulations and Hong Kong Listing Rules for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is 1 year and can be re-appointed.

Article 181 The appointment and dismissal of accounting firm by the Company shall be subject to the approval of general meetings. The board of directors may not appoint accounting firm before the approval of the general meeting.

Article 182 The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

Article 183 The service fees of the accounting firm or mechanism for determining their service fees shall be approved by the General Meeting.

Article 184 If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm thirty days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the General Meeting.

Where the accounting firm resigns its office, it shall make clear to the General Meeting whether or not there are irregularities in the Company.

Chapter 10 Notice and Announcement

Section 1 Notice

Article 185 Notices of the Company shall be served by the following methods:

- (I) by personal delivery;
- (II) by post;
- (III) by facsimile or e-mail;
- (IV) by making announcement on the website designated by the Company and stock exchanges in accordance with laws, administrative regulations, departmental rules, normative documents, relevant requirements of the regulatory authorities, the Articles of Association and the Hong Kong Listing Rules;
- (V) by other methods stipulated in the Articles of Association;
- (VI) by other means previously agreed between the Company and the recipient or accepted by the recipient after receiving notice;
- (VII) by other means approved by the relevant regulatory authorities in Hong Kong or specified in the Articles of Association.

For the purpose of the method for the Company to furnish and/or send any communications of the Company to shareholders of H Shares as required by the Hong Kong Listing Rules, subject to the laws, regulations and relevant listing rules of Hong Kong, all communications of the Company may be sent or provided to such shareholders of H Shares through electronic means or posting such information on the website, instead of such delivery by hand or postage prepaid mail.

Corporate communications referred to in the preceding paragraph means any document issued or to be issued by the Company for the information or action of the holders of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the report of board of directors, annual accounts, auditor's report and the financial summary of the Company (if applicable));
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;
5. circulars;
6. proxy forms (as defined in the Hong Kong Listing Rules, for example, the Company may execute a form of proxy under the hand of a duly authorized officer). Where notices are given by way of announcements under authorization conferred by the Articles of Association, such announcements shall be published by means specified in the Hong Kong Listing Rules.

Article 186 Where a notice of the Company is sent by way of an announcement, the aforesaid notice shall be deemed as received by all relevant persons once it is published.

Article 187 Unless otherwise provided for herein, such ways of sending out notices as provided for in the previous article shall apply to notices of the Company regarding the convening of general meetings of shareholders and of meetings of the board of directors and supervisory committee.

Article 188 The Company's notice be delivered by hand, the recipient shall sign (or chop) on the reply slip upon delivery and the receipt date of the recipient shall be the date of delivery. Should the Company's notice be delivered by mail, the delivery date shall be five business days after the paper mail has been handed to post office. the sending date of email shall be the date of service. Should the Company notice is sent by facsimile, the date set out in the Company's facsimile transmission completion report shall be the date of service. Should the Company's notice be delivered in the form of an announcement, the first date of announcement shall be the date of delivery.

Article 189 The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

Article 190 In the event that the Hong Kong Listing Rules require the Company to provide the relevant files in English version and Chinese version by delivery, mail, distribution, issuance, publishing or other manners. If the Company has made appropriate arrangement to confirm its shareholders intend to receive the English version only or the Chinese version only, and within the permissible scope of the applicable laws and regulations and pursuant to the applicable laws and regulations, the Company may (based on the intent stated by the shareholders) deliver the English version only or the Chinese version only to the relevant shareholders.

Section 2 Announcement

Article 191 The Company shall issue announcements and disclose information to shareholders of unlisted shares on the website of the Company and on the website of the stock exchanges and the media that meets the conditions prescribed by the securities regulatory authority of the State Council according to the laws, regulations. If it is required to make public announcements to the shareholders of H Shares pursuant to the Articles of Association, such announcements shall also be published in such manner as required by the Hong Kong Listing Rules.

The Company may not disclose information through public media before such information is disclosed through designated newspapers and websites, and may not disclose information by way of press release or interview with reporters in lieu of the announcement.

The board of directors may change the newspapers for information disclosure, but shall ensure that the designated newspapers for information disclosure are allowed by the relevant laws and regulations and comply with the qualifications and conditions stipulated by CSRC, overseas regulatory authorities and overseas securities exchanges.

Chapter 11 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 192 The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been adopted in accordance with the procedures specified in the Articles of Association, relevant examination and approval procedures shall be carried out according to law.

Article 193 Merger of the Company may take the form of absorption or establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or above companies merge into a new company, the original companies will be dissolved.

Article 194 If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement. The parties to the merger shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution, the Company shall notify its creditors and within 30 days it shall make an announcement in the newspapers. A creditor may, within 30 days from the date of receipt of the written notice or, if he did not receive a written notice, within 45 days from the date of the announcement, require the Company to pay its debt to him in full or to provide commensurate security.

Article 195 When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Article 196 Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and inventory of assets shall be prepared. The Company shall notify its creditors within 10 days as of the date of the division resolution and shall publish an announcement in newspapers within 30 days as of the date of such resolution.

Article 197 Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before division, liabilities of the Company prior to the division shall be jointly assumed by the surviving companies after division.

Article 198 Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement in the newspapers within 30 days as of the date of such resolution. A creditor has the right within 30 days as of the receipt of the notice or, in case where it fails to receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

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

Article 199 Where there is a merger or division of the company, the Company shall, in accordance with the laws, apply for change in its registration with the company registration authority for any changes of its registered information caused thereby. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws

If the Company increases or reduces its registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

Section 2 Dissolution and Liquidation

Article 200 The Company shall be dissolved upon the occurrence of any of the following events:

- (I) the term of its operations specified in the Articles of Association has expired and other circumstance for dissolution specified in the Articles of Association has occurred;
- (II) the General Meeting has resolved to dissolve the Company;
- (III) merger or division of the Company requires a dissolution;

- (IV) the business license is revoked in accordance with the law, or the Company is ordered to close or is cancelled;
- (V) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other means, the shareholders holding ten percent or more of the total voting rights of the Company may request the people's court to dissolve the Company.

Article 201 With regard to the occurrence of the situation described in sub-paragraph (I) of Article 202 in the Articles of Association, the Company may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the General Meetings.

Article 202 Where the Company is dissolved pursuant to sub-paragraph (I), (II), (IV) or (V) of Article 198 hereof, it shall establish a liquidation committee within 15 days as of the dissolution circumstance arises. And the liquidation shall be thereby started. The liquidation committee shall comprise directors or those determined by the General Meeting. If a liquidation committee is not established within the time limit, the creditors may apply to the people's court to designate relevant personnel to form a liquidation committee to carry out liquidation.

Article 203 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to examine and take possession of the Company's assets and prepare the balance sheet and a property inventory;
- (II) to inform creditors by notice or announcement;
- (III) to deal with the outstanding businesses of the Company relating to liquidation;
- (IV) to pay outstanding taxes, and to pay taxes incurred during the company's liquidation process;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after repayment of debts;
- (VII) to represent the Company in civil proceedings.

Article 204 As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and make public announcement on newspaper(s) within 60 days. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

Article 205 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the General Meeting or the people's court for confirmation.

The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholding ratios.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding article.

Article 206 after the liquidation committee has examined and taken possession of the property of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's property are insufficient to repay its debts in full, it shall apply to the people's court to declare the Company bankrupt according to law.

Following a ruling by the people's court that the Company is declared bankrupt, the liquidation committee shall hand over all matters relating to the liquidation to the people's court.

Article 207 Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the General Meeting or the people's court for confirmation, and shall submit the same to the company registration authority, apply for cancellation of the company's registration, and publish an announcement on the termination of the company.

Article 208 Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance with the laws.

Members of the liquidation committee shall not exploit their position to accept bribes or other illegal income or misappropriate the property of the Company.

A member of the liquidation committee who causes loss to the Company or its creditors due to his or her intentional misconduct or gross negligence shall be liable for damages.

Article 209 Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

Chapter 12 Amendments to the Articles of Association

Article 210 The Company may amend the Articles of Association pursuant to laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 211 The Company shall amend the Articles of Association in any of the following circumstances:

- (I) after the revision of the Company Law, the Hong Kong Listing Rules or relevant laws, administrative regulations, the provisions of the Articles of Association are in conflict with the revised laws, administrative regulations or the Hong Kong Listing Rules;
- (II) there is a change in the Company's situation, which is inconsistent with the matters recorded in the Articles of Association;
- (III) the General Meeting has resolved to amend the Articles of Association.

Article 212 Where the matters on the amendments to the Articles of Association constitute information that shall be disclosed under the laws and regulations, the Company shall disclose such amendments according to these requirements

Chapter 13 Miscellaneous

Article 213 Definitions

- (I) Controlling shareholders shall refer to any shareholder or other person or group of persons who is entitled to exercise, or control the exercise of 30% or more of the voting rights at the General Meetings of the Company or who is in a position to control the composition of a majority of the new board of directors of the Company.
- (II) Actual controller shall refer to a person who, although not a shareholder of the Company, is able, through investment relationships, agreements or other arrangements, to actually control the conduct of the Company.

Article 214 The board of directors may formulate detailed rules and regulations in accordance with the provisions of the Articles of Association. The detailed rules and regulations shall not contradict the provisions of the Articles of Association.

Article 215 The Articles of Association are written in Chinese. In case of discrepancies between the Articles of Association and the version in any other language or its other versions, the latest Chinese version of the Articles of Association approved by and registered with the registration authority of the Company shall prevail.

Article 216 The term “or above”, “within”, “following”, as stated in the Articles of Association shall all include the number or amount itself; the term “not exceeding”, “except”, “lower”, “more”, “over”, “under”, “more than half” shall all exclude the number or amount itself.

Article 217 Where the Articles of Association is inconsistent with the Hong Kong Listing Rules, other related laws, regulations and normative documents in effect from time to time, the Hong Kong Listing Rules, other related laws, regulations and normative documents shall prevail.

Article 218 The accounting firm referred to in the Articles of Association has the same meaning as the “auditor”.

Article 219 The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.

Article 220 Appendixes to the Articles of Association include the rules of procedure of the General Meeting, the rules of procedure of the board of directors and the rules of procedure of the supervisory committee.

Article 221 Upon review and approval by the General Meeting, the Articles of Association shall take effect from the date of the listing of H Share of the Company on the Main Board of Hong Kong Stock Exchange. The original Articles of Association of the Company shall be invalid automatically upon the effective date of the Articles of Association.

(No text below)