

Zhou Liu Fu Jewellery Co., Ltd.

Articles of Association

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Articles of Association of Zhou Liu Fu Jewellery Co., Ltd.

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to protect the legitimate rights and interests of Zhou Liu Fu Jewellery Co., Ltd. (the “**Company**”) and our shareholders and creditors, and regulate the organization and activities of the Company, the Articles of Association are formulated under the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “**Company Law**”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “**Securities Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant provisions with reference to the specific situation of the Company.

Article 2 The Company is a joint stock limited company incorporated in accordance with the Company Law and other relevant regulations. The Company was established by means of full conversion from Zhou Liu Fu Jewellery Co., Limited. The Company is registered with and has obtained its business license from the Shenzhen Municipal Administration for Market Regulation, with the unified social credit code: 91440300761957253T.

Article 3 The Company made an initial offering of 53,829,200 overseas listed foreign shares (i.e., H shares) to the public upon completion of the filing procedures with the China Securities Regulatory Commission (the “**CSRC**”) on May 12, 2025 and upon approval by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for listing on the Main Board of the Hong Kong Stock Exchange on June 26, 2025, and over-allotted 8,074,300 H shares, which were listed on the Main Board of the Hong Kong Stock Exchange on July 28, 2025.

Article 4 Registered Name of the Company: 周六福珠宝股份有限公司. English name: Zhou Liu Fu Jewellery Co., Ltd.

Article 5 Domicile of the Company: Room 2301–2409, Zhongguan Business Building, No. 3031 Taibai Road, Dongxiao Street, Dongxiao Community, Luohu District, Shenzhen (enterprise with multiple addresses under one business license).

Article 6 The registered capital of the Company is RMB440,616,028.

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

Article 8 The chairman or general manager shall be the legal representative of the Company.

Article 9 The assets of the Company are divided into shares with equal par value. The liability of each shareholder to the Company is limited to the shares held by such shareholder. The Company shall be liable for its debts to the extent of its assets.

Article 10 From the effective date hereof, the Articles of Association shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders and shall be legally binding on the Company, its shareholders, directors, supervisors and other senior management members. A shareholder may bring an action against another shareholder or any director, supervisor, general manager and any other senior management member of the Company, or the Company, and the Company may bring an action against any of its shareholder(s), director(s), supervisor(s), general manager or other senior management members, in each case, in accordance with the Articles of Association.

Article 11 For the purpose of the Articles of Association, other senior management members include deputy general managers, secretary to the board of directors, chief financial officer and other senior management members appointed by the board of directors.

Article 12 The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China, establish the party organizations and carry out party-related activities. The Company shall provide necessary conditions for the activities of the party organizations.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 13 The Company's objectives of business are: to independently carry out various businesses in accordance with relevant laws and regulations, continuously improve its management and core competitiveness, provide quality services for customers, maximize shareholders' interests and corporate value, create ample economic and social benefits, and promote the prosperity and development of the jewelry industry.

Article 14 The Company’s scope of business in accordance with the registration under the laws includes: “general items: design, wholesale, retail, import and export of precious metal jewelry, inlaid jewelry and jade jewelry; purchase and sales of jewelry and jade, platinum-set jewelry, diamond-set jewelry and jade jewelry; brand planning; jewelry technology development and technical services; corporate management consulting (excluding talent intermediary services, securities, futures, insurance, financial services and other restricted items); investment and establishment of industries (specific items subject to declaration); domestic trade and import and export of goods and technology (excluding items that require approval prior to registration according to laws, regulative laws and regulations and decisions of the State Council). (Commencement of operation of enterprises requiring prerequisite administrative approvals shall be subject to the obtaining of documents for such prerequisite administrative approvals) real estate brokerage; manufacturing of clocks, watches and other timing instruments; sales of clocks and watches; sales of clocks, watches and other timing instruments; repair of daily products; business training (excluding licensed training such as educational and vocational skills training); information technology consulting services; property management, non-residential property leasing, residential leasing. (Businesses other than those subject to approval shall be legitimately carried out under the business license as the entity sees fit), permitted items: production and processing of precious metal jewelry, inlaid jewelry and jade jewelry”.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 15 The shares of the Company shall take the registered form of share certificates.

Where the share capital of the Company includes non-voting shares, the name of such shares shall contain the term “without voting right”. Where the share capital includes shares with different voting rights, the name of each class of shares (other than shares with the most privileged voting rights) shall contain the term “restricted voting right” or “limited voting right”.

Article 16 The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue 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 it/he/she subscribes for.

Article 17 The shares issued by the Company, all of which are ordinary shares, are denominated in RMB with a par value of RMB1.00 per share.

Article 18 Of the shares issued by the Company, domestic shares shall be centrally registered and deposited with domestic securities registration and settlement institutions, and matters such as the registration and settlement arrangements for overseas listed shares shall be governed by the regulations of the place where the Company's shares are listed.

Article 19 At the time of establishment of the Company, the names of the promoters, the number of shares subscribed by them, their shareholding percentage, capital contribution methods and time of contribution are set out in the following table:

No.	Name of promoter	Number of shares (ten thousand shares)	Shareholding percentage (%)	Contribution method	Time of contribution
1	Shenzhen Ruoshui United Investment Co., Ltd. (深圳若水聯合投資有限公司)	13,346.0495	37.0724	Net assets converted into shares	2018.08.31
2	Shenzhen Shangshan United Investment Co., Ltd. (深圳上善聯合投資有限公司)	10,009.5371	27.8043	Net assets converted into shares	2018.08.31
3	Shenzhen Qiankun United Investment Co., Ltd. (深圳乾坤聯合投資有限公司)	10,009.5371	27.8043	Net assets converted into shares	2018.08.31
4	Gongqingcheng Chuangming Investment Partnership (Limited Partnership) (共青城創明投資合夥企業 (有限合夥))	1,000.9537	2.7804	Net assets converted into shares	2018.08.31
5	Gongqingcheng Shaobo Investment Partnership (Limited Partnership) (共青城少伯投資合夥企業 (有限合夥))	544.5188	1.5126	Net assets converted into shares	2018.08.31

No.	Name of promoter	Number of shares (ten thousand shares)	Shareholding percentage (%)	Contribution method	Time of contribution
6	Gongqingcheng Meiyu Investment Partnership (Limited Partnership) (共青城美裕投資合夥企業 (有限合夥))	456.4349	1.2679	Net assets converted into shares	2018.08.31
7	Shenzhen Yongcheng No. 2 Investment Partnership (Limited Partnership) (深圳市永誠貳號投資合夥企業 (有限合夥))	353.6703	0.9824	Net assets converted into shares	2018.08.31
8	Hengqin Daoyang Junrui Equity Investment Fund (Limited Partnership) (橫琴道陽君瑞股權投資基金 (有限合夥))	279.2986	0.7758	Net assets converted into shares	2018.08.31
Total		36,000.00	100.00	–	–

Article 20 The total number of shares of the Company is 440,616,028 shares, and the share structure of the Company is as follows: the total number of issued ordinary shares is 440,616,028 shares, of which 273,688,883 ordinary shares are overseas listed shares, accounting for 62.12% of the Company's total ordinary shares in issue, and 166,927,145 ordinary shares are domestic shares, accounting for 37.88% of the Company's total ordinary shares in issue.

Shares issued to domestic investors by the Company for subscription in Renminbi are known as domestic shares. Shares issued to overseas investors by the Company for subscription in foreign currency, and shares held by foreign investors, or shares that are being transferred from domestic shareholders of the Company are known as foreign shares. Of these foreign shares, those that are listed overseas are known as overseas listed foreign shares and those that are not listed overseas are known as non-listed foreign shares. Those shares filed with the regulatory authorities authorized by the State Council and approved by the overseas securities regulatory authorities and listed and traded on the overseas stock exchanges are known as overseas listed shares. Unless otherwise required in the Articles of Association, shareholders of domestic shares and foreign shares are holders of ordinary shares sharing the same obligations and rights.

Article 21 The Company or the subsidiaries of the Company (including affiliates) shall not provide any financial assistance in the form of gift, advances, guarantee, compensation or loan to support the acts of purchase or proposed purchase of the shares of the Company.

Section 2 Increase and Reduction of Capital and Buyback of Shares

Article 22 In light of the operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the general meeting, by any of the following methods:

- (I) a public offering of shares;
- (II) a private offering of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of other reserve to share capital;
- (V) other methods permitted by laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed, and the relevant national competent authorities such as the CSRC.

Article 23 The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so by the procedures set forth in the Company Law, other relevant regulations and the Articles of Association.

Article 24 The Company shall not acquire its shares. However, the Company may, in any of the following circumstances:

- (I) reduce the registered capital of the Company;
- (II) merge with other companies that hold shares in the Company;

- (III) use the shares for employee shareholding schemes or as share incentives;
- (IV) acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;
- (V) use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (VI) safeguard corporate value and shareholders' equity as the Company deems necessary.

Article 25 The Company may purchase its own shares in the following ways:

- (I) the centralized trading on the stock exchange;
- (II) tender offer;
- (III) other methods permitted by laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the CSRC.

Article 26 In the event that the Company acquires shares of the Company for the reasons set forth in (I) and (II) of Article 24 of the Articles of Association, such acquisition shall be resolved at a general meeting of shareholders; in the event that the Company acquires shares of the Company for the reasons set forth in (III), (V) and (VI) of Article 24 of the Articles of Association, such acquisition shall be resolved at a board meeting with more than two-thirds of directors present.

After the Company acquires its own shares, under the circumstance in (I) of Article 24 of the Articles of Association, the shares so acquired shall be cancelled within 10 days from the acquisition. In the case of (II) or (IV) of Article 24 of the Articles of Association, the shares so acquired shall be transferred or cancelled within six months. In the case of (III), (V) or (VI) of Article 24 of the Articles of Association, the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so acquired shall be transferred or cancelled within three years.

In the event that the Company acquires its own shares, it shall fulfill the information disclosure obligations in compliance with the Securities Law. If the Company acquires its shares under the circumstances as stipulated in (III), (V) and (VI) of Article 24 of the Articles of Association, it shall be conducted by way of open centralized transaction.

Section 3 Transfer of Shares

Article 27 The shares of the Company may be transferred in accordance with law.

All transfers of overseas listed foreign shares listed in Hong Kong shall be effected by instruments of transfer in writing in an usual or ordinary form or in any other form acceptable to the board of directors (including the standard transfer format or form of transfer specified by Hong Kong Stock Exchange from time to time); the instruments of transfer may be signed by hand only or affixed with the company chop (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house as defined by relevant regulations in Hong Kong laws from time to time, or its nominee, the instruments of transfer may be signed by hand or in a machine-imprinted format.

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

Article 29 Shares of the Company held by promoters shall not be transferred for a period of one year after the Company's establishment. Shares issued prior to the Company's public offering of shares shall not be transferred for a period of one year from the date of listing and trading of the Company's shares on the stock exchange.

The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total number of shares of the Company that he or she holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his or her post, he or she shall not transfer the shares of the Company that he or she holds within six months from such departure.

Article 30 If the Company's directors, supervisors, senior management, and shareholders holding 5% or above shares or other securities with the nature of equity of the Company sell shares within six months after buying the same or buy shares within six months after selling the same, the earnings arising therefrom shall belong to the Company and the board of directors of the Company shall forfeit the said earnings. However, the provision shall not be applicable to any sale of shares by a securities company holding 5% or above of the Company's shares as a result of its underwriting of the untaken shares and other circumstances as stipulated by the regulatory rules of the place where the Company's shares are listed or the CSRC.

Shares or other securities with the nature of equity held by directors, supervisors, senior management and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and held by them by using other people's accounts.

If the board of directors of the Company fails to comply with the first paragraph of this article, the shareholders are entitled to request the board of directors to do so within 30 days. If the board of directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the people's court in their own names for the interest of the Company.

If the board of directors fails to implement the first paragraph of this article, the responsible directors shall bear joint and several liability in accordance with law.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Section 1 Shareholders

Article 31 The Company shall establish a register of shareholders based on the certificates provided by the securities registration authorities. The register of shareholders shall be the sufficient evidence of the shareholders' shareholding in the Company. A shareholder is entitled to rights and assumes obligations pursuant to the classification of his/her shares. Shareholders holding the same classification of shares shall be entitled to the same rights and assume the same obligations.

The Company shall enter into a custodial agreement with the share registrars, make regular inquiry about the details of the substantial shareholders and the changes in their shareholding (including the pledge of their equity rights) and keep up with the shareholding structure of the Company.

Article 32 When the Company convenes the shareholders' general meeting, distributes dividends, goes into liquidation or is involved in other actions that require the confirmation of the shareholders' identities, the board of directors or the convener of the shareholders' general meeting shall determine a record date for the determination of shareholdings, and the shareholders whose names are registered on the register of shareholders at closing on the record date shall be the shareholders entitled to the relevant interests. Where the relevant laws and regulations as well as the Hong Kong Listing Rules contain provisions which stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or prior to the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail. However, the aforesaid book closure period shall not exceed 30 days in total within one year, but may be extended by up to 30 days after consideration and approval at shareholders' general meeting. Where the Company receives an application for inspection of the register of members during the book closure period, it shall, at the request of the applicant, issue to the applicant a certificate signed by the company secretary of the Company stating the approval authority for and the period of closure of register of members.

Article 33 The rights of the Company's shareholders are as follows:

- (I) to receive distribution of dividends and other forms of benefits according to the number of shares held;
- (II) to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the shareholders' general meeting and exercise corresponding voting right;
- (III) to supervise the Company's business operations, put forward proposals or raise enquiries;
- (IV) to transfer, give as gift or pledge the shares held in accordance with the laws, regulative laws and regulations and the Articles of Association;
- (V) to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the supervisory committee and financial accounting reports;
- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (VII) with respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, to demand the Company to buy back the shares held by them;
- (VIII) any other rights stipulated in the laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 34 Where a shareholder asks to review the information mentioned in the preceding Article or makes a request for information, he or she shall submit to the Company written documents evidencing the classification and number of shares he or she holds. The Company shall provide information as requested by the shareholder after authenticating his or her identity.

Article 35 Where the content of a resolution of the shareholders' general meeting or the board meeting of the Company violates laws or regulative laws and regulations, the shareholders shall be entitled to request the people's court to hold it invalid.

If the convening procedure or voting method of a shareholders' general meeting or board meeting violates laws, regulative laws and regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall be entitled to request the people's court to revoke the resolution within 60 days from the date it was made.

Article 36 In the event of any loss caused to the Company as a result of violation of any laws, regulative laws and regulations or the Articles of Association by the directors or senior management when performing their duties in the Company, the shareholders holding 1% or more shares of the Company separately or jointly for over 180 consecutive days may submit a written request to the supervisory committee to file an action with the people's court. Where supervisors violate laws, regulative laws and regulations or the Articles of Association in their duty performance and cause loss to the Company, the above shareholders may submit a written request to the board of directors to file an action with the people's court.

In the event that the supervisory committee or the board of directors refuses to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fails to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in paragraph 1 of this article may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

Article 37 In the event that a director or senior management violates laws, regulative laws and regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may file an action with the people's court.

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

- (I) to comply with laws, regulative laws and regulations, and the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

- (III) not to withdraw shares unless required by laws and regulations;
- (IV) not to abuse their shareholders' rights to harm the legitimate interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the legitimate interests of any creditor of the Company;
- (V) any other obligations imposed by laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and thereby cause loss to the Company or other shareholders shall be liable for indemnity according to the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Article 39 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the day on which he/she pledges his/her shares.

Article 40 The controlling shareholders and de facto controllers of the Company shall not use their connections to harm the interests of the Company. Any person who violates this provision and causes losses to the Company shall be liable for compensation.

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

Section 2 General Provisions of Shareholders' General Meeting

Article 41 The shareholders' general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (I) to decide on the Company's operational policies and investment plans;

- (II) to elect and remove directors and supervisors who are not employee representatives and to decide on matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve reports of the board of directors;
- (IV) to consider and approve reports of the supervisory committee;
- (V) to consider and approve the Company's proposals for annual financial budget and final accounts;
- (VI) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to decide on any increase or reduction of the Company's registered capital;
- (VIII) to decide on the issue of corporate bonds;
- (IX) to decide on issues such as merger, division, dissolution, liquidation and change of form of the Company;
- (X) to amend the Articles of Association;
- (XI) to decide on the engagement or dismissal of the accounting firm of the Company;
- (XII) to consider and approve the guarantees as provided for in **Article 42** of the Articles of Association;
- (XIII) to consider the purchase or disposal of substantial assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (XIV) to consider and approve matters relating to changes in the use of proceeds;
- (XV) to consider equity incentive plans and employee stock ownership plans;
- (XVI) to consider other matters which are required to be determined at the shareholders' general meeting as required by laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Subject to otherwise stipulated in the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the CSRC, the functions and powers of the general meeting mentioned above shall not be delegated to the board of directors or any other body or individual. However, the board of directors or a director may be authorized to act on or give effect to the relevant resolutions when the relevant resolutions are voted upon at a general meeting.

Article 42 The following external guarantees of the Company shall be considered and approved by the shareholders' general meeting:

- (I) any guarantee provided after the total amount of external guarantees by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees by the Company reaches or exceeds 30% of the latest audited total assets;
- (III) any guarantee by the Company within one year with guaranteed amount in excess of 30% of the latest audited total assets of the Company;
- (IV) any guarantee provided for a target party whose asset-liability ratio is over 70%;
- (V) any guarantee with a single guaranteed amount in excess of 10% of the latest audited net assets;
- (VI) any guarantee provided to shareholders, de facto controllers and their connected parties;
- (VII) other external guarantees that require the consideration and approval of the shareholders' general meeting stipulated by laws, regulative laws and regulations, departmental rules or the regulatory rules of the place where the shares of the Company are listed.

Violations of approval authority and approval procedures shall be held accountable in accordance with the Company's management rules for external guarantees and other relevant provisions.

Article 43 Shareholders' general meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be held by the Company once every year and within six months from the close of the preceding fiscal year.

Article 44 The Company shall convene an extraordinary general meeting within 2 months upon the occurrence of the following events:

- (I) the number of directors is less than the number as stipulated in Company Law or less than two-thirds of the number as specified in the Articles of Association;
- (II) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (III) on request by the shareholder(s) individually or collectively holding 10% or more of the shares of the Company;
- (IV) whenever the board considers it necessary;
- (V) when the supervisory committee proposes to hold such a meeting;
- (VI) any other circumstances as stipulated in the laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 45 The shareholders' general meeting is generally convened at the domicile of the Company, details of which will be specified in the notice or announcement of the shareholders' general meeting. The shareholders' general meeting will have a venue for a physical meeting to be held. The Company will also provide internet voting or other means recognized or required by laws, regulative laws and regulations and regulatory rules of the place where the shares of the Company are listed to facilitate shareholders' participation in the shareholders' general meeting. A shareholder who participates in a shareholders' general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 46 After the notice of a shareholders' general meeting has been issued, the venue for holding the physical shareholders' general meeting shall not be changed without a proper reason. If a change is necessary, the convener shall issue an announcement at least two working days prior to the date when the physical meeting is to be held and explain the reasons.

Section 3 Convening of Shareholders' General Meetings

Article 47 The independent non-executive directors shall have the right to propose to the board to convene an extraordinary general meeting. In response to a proposal by an independent non-executive director to convene an extraordinary general meeting, the board shall, in accordance with the provisions of laws, regulative laws and regulations, and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the board of directors agrees to hold an extraordinary general meeting, a notice of the shareholders' general meeting shall be given within 5 days after the resolution of the board of directors is made. Where the board of directors does not agree to hold such a meeting, its reasons shall be given, and an announcement shall be made.

Article 48 The supervisory committee shall have the right to propose to the board to convene an extraordinary general meeting and such proposal shall be made to the board in writing. The board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, regulative laws and regulations, and the Articles of Association.

Where the board of directors agrees to hold an extraordinary general meeting, a notice of the shareholders' general meeting shall be given within 5 days after the resolution of the board of directors is made. Any change to the original proposal in the notice shall be subject to approval from the supervisory committee.

Where the board of directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the board of directors is unable or fails to perform its duty of convening a shareholders' general meeting. In such a case, the supervisory committee may convene and preside over the meeting on its own.

Article 49 Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to request the board to convene an extraordinary general meeting and such request shall be made to the board in writing. The board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, regulative laws and regulations, and the Articles of Association.

Where the board of directors agrees to hold an extraordinary general meeting, it shall issue a notice of the shareholders' general meeting within 5 days after the resolution is made. Any change to the original request in the notice shall be subject to approval from the relevant shareholders.

Where the board of directors does not agree to hold an extraordinary general meeting or fails to give a reply within 10 days upon receipt of the request, shareholders who individually or together hold 10% or more of the shares of the Company shall have the right to submit a proposal to the supervisory committee on holding an extraordinary general meeting and such request shall be made in writing.

Where the supervisory committee agrees to hold an extraordinary general meeting, it shall issue a notice of shareholders' general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

Where the supervisory committee fails to give the notice of the shareholders' general meeting within the specified time limit, it shall be deemed that the supervisory committee does not convene or preside over the meeting, in which case, shareholders who individually or together hold 10% or more of the shares of the Company for 90 or more consecutive days may convene and preside over the meeting on their own.

Article 50 If the shareholders' general meeting is convened by the supervisory committee or shareholders on their own, a written notice shall be issued to the board of directors, and it should be filed with the securities regulatory authority in the place where the Company is registered and the place where the Company's shares are listed in accordance with applicable provisions (if required).

Prior to the announcement of the resolution of the shareholders' general meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The supervisory committee or the convening shareholders shall, upon issuing the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting, submit relevant supporting documents (if required) to the securities regulatory authority in the place where the Company is registered and the place where the Company's shares are listed in accordance with applicable provisions.

Article 51 The board of directors and the secretary to the board of directors should cooperate with the supervisory committee or shareholders to convene shareholders' general meetings on their own. The board of directors shall provide the register of shareholders on the record date of equity interests.

Article 52 The expenses necessary for the shareholders' general meeting convened by the supervisory committee or the shareholders themselves shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' General Meetings

Article 53 The contents of a proposal shall be within the scope of the duties and powers of the shareholders' general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with the relevant requirements of the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 54 The board, the supervisory committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to make a proposal to the Company at a shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding more than 3% of the Company's shares may make provisional proposals in writing to the convener of a shareholders' general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such provisional proposals within 2 days after receipt thereof.

Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issue of the notice of the shareholders' general meeting.

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with Article 53 of the Articles of Association shall not be voted on and resolved at the shareholders' general meeting.

Article 55 The convener shall notify shareholders by announcement no later than 20 days prior to the date of the annual general meeting and no later than 15 days prior to the date of the extraordinary general meeting.

The date of the meeting shall not be included when the Company calculates the starting date.

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

- (I) the date, venue, and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;

- (III) an express statement that a shareholder is entitled to attend the shareholders' general meeting, and to appoint proxy(ies) to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date for determining the shareholders who are entitled to attend the shareholders' general meeting;

The interval between the share registration date and the meeting date shall comply with the regulatory rules of the place where the Company's shares are listed. Once the shareholding registration date is confirmed, it may not be changed; if it needs to be changed, the procedures stipulated in the regulatory rules of the place where the Company's shares are listed must be complied with.

- (V) the name and phone number (if any) of the coordinator of the meeting;
- (VI) the time and procedures for voting online or by other means.

The notice of shareholders' general meeting and its supplementary notice shall fully, completely disclose and explain the details of all proposals. If the matters to be discussed require the opinions of the independent non-executive directors, the opinions of the independent non-executive directors and the reasons therefor shall be disclosed at the same time when the notice of shareholders' general meeting or its supplementary notice is issued.

Article 57 If the election of any director(s) or supervisor(s) will be discussed at a shareholders' general meeting, the notice of the shareholders' general meeting shall specify the particulars of each director or supervisor candidate, which shall at least include:

- (I) educational background, work experience, concurrent posts and other personal information;
- (II) connected relationship with the Company or its controlling shareholders and de facto controllers, if any;
- (III) the number of shares held in the Company;
- (IV) penalty imposed by the CSRC or other relevant authorities or any punishment imposed by the stock exchange on which the Company's shares are listed, if any.

Except where the director and supervisor will be elected through the accumulative voting system, each director or supervisor candidate shall be nominated by a separate proposal.

Article 58 After the notice of a shareholders' general meeting has been issued, the shareholders' general meeting shall not be adjourned or canceled without justifiable reason, and no proposal set forth in the notice of the shareholders' general meeting shall be canceled. If the meeting needs to be adjourned or canceled, the convener shall notify each shareholder and explain the reason at least 2 working days prior to the originally scheduled date of the meeting.

Section 5 Holding of Shareholders' General Meetings

Article 59 The board of directors and other conveners of the Company shall take necessary measures to guarantee the normal order of each shareholders' general meeting, prevent any person from interfering with or inciting public disorder at any shareholders' general meeting or otherwise infringing on the legitimate rights and interests of the shareholders, and promptly refer any such act to the competent authorities for investigation and punishment.

Article 60 All shareholders of the Company or their proxies recorded in the register on the record date shall have the right to attend general meetings. Shareholders are entitled to speak and vote at the general meetings in accordance with the relevant laws and regulations and the Articles of Association, unless individual shareholders are required by the Hong Kong Listing Rules to abstain from voting on individual matters. Pursuant to the applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, where any shareholder is required to abstain from voting on any particular resolution, or where any shareholder is restricted from voting only for or only against any particular resolution, and in the event of any contravention of any such requirement or restriction, the votes cast by or on behalf of such shareholder shall not be counted towards the result of the vote.

Shareholders may attend the general meeting in person or appoint one or more persons (who may not be shareholders) as their proxy to attend and vote on their behalf. If a shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations enacted in Hong Kong from time to time, the shareholder may authorize his/her company's representative or one or more persons as he/she thinks fit to act as his/her proxy at any shareholders' general meeting.

Article 61 An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

A legal person shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. Where the legal representative attends the meeting, he/she shall produce his/her own identity card and valid certificates evidencing his/her capacity as the legal representative. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative of the legal person shareholder according to law (except for a recognized clearing house (or its proxy) as defined in the relevant regulations enacted in Hong Kong from time to time).

Article 62 The power of attorney issued by a shareholder to appoint another party to attend a shareholders' general meeting shall contain the following particulars:

- (I) the name of the proxy;
- (II) whether the proxy has the right to vote;
- (III) the instructions to vote in favour of or against, or to abstain from voting on, each matter set out on the agenda of the shareholders' general meeting;
- (IV) the date and validity of the power of attorney;
- (V) the signature (or seal) of the principal. If the principal is a legal person shareholder, the power of attorney shall be affixed with the seal of the legal person.
- (VI) The power of attorney shall specify whether the proxy may vote as he/she thinks fit in the absence of instructions from the shareholder.

Article 63 A proxy can exercise, including but not limited to, the following rights pursuant to the authorization from such shareholder: (I) such shareholder's right to speak at the meeting; (II) the right to demand a poll alone or jointly with others; (III) the right to vote by a poll. However, when more than one proxy are entrusted, they can only vote by a poll.

If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any meeting of creditors. However, 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 such person is so authorized. The person so authorized may exercise on behalf of the recognized clearing house (or its proxy) such legal rights (without being required to produce share certificate, notarized authority and/or further evidence to prove that he/she has been duly authorized) as other shareholders are entitled, including the right to speak and vote, as if he/she/it was an individual shareholder of the Company.

Article 64 Where the power of attorney is signed by a person authorized by the principal, the power of attorney or other authorization instruments authorized to be signed shall be notarized. The notarized power of attorney or other authorization instruments, together with the power of attorney, shall be lodged at the domicile of the Company or other places as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or the person authorized by the resolutions of its board of directors or other decision-making body shall be entitled to attend the shareholders' general meeting of the Company as a representative of the principal. If the legal person has appointed a representative to attend any meeting, it shall be deemed to have attended in person. The legal entity may have its authorized person sign the form of proxy.

Article 65 The Company shall prepare a register of attendance of the meeting, which shall contain the name of the attendee (or name of entity represented by him/her), his/her identity card number and address of domicile, number of voting shares held or represented by him/her and name of shareholder represented by him/her (or name of such shareholder's entity).

Article 66 The convener(s) shall verify the legitimacy of the eligibility of the shareholders according to the register of shareholders and register the name of and number of voting shares held by each shareholder. Such registration shall be completed before the chairperson of the meeting declares the number of shareholders attending the meeting in person or by proxy and the total number of voting shares held by them.

Article 67 All directors, supervisors and the secretary to the board of directors shall be present at the general meeting, and general managers and other senior management members shall be in attendance at general meetings.

Article 68 A shareholders' general meeting shall be chaired by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his/her duties, a director jointly nominated by half or more of the directors shall preside over the meeting.

A shareholders' general meeting convened by the supervisory committee shall be chaired by the chairman of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or is not performing his/her duties, a supervisor jointly recommended by more than one half of the supervisors shall chair the meeting.

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

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

Article 69 The Company shall establish rules of procedure for the shareholders' general meeting, specifying the procedures for convening and voting at the shareholders' general meeting, including, among others, notice, registration, deliberation of proposals, casting of votes, counting of votes, declaration of voting results, adoption of resolutions, meeting minutes and execution thereof, announcement, and principle of delegating powers to the board of directors by the shareholders' general meeting, of which powers shall be clear and specific. The rules of procedure for the shareholders' general meeting shall be prepared by the board of directors and approved by the shareholders' general meeting and constitute an exhibit to the Articles of Association.

Article 70 At an annual general meeting, the board of directors and the supervisory committee shall report their respective work in the preceding year to the shareholders' general meeting, and each independent non-executive director shall deliver a work report.

Article 71 The directors, supervisors and senior management shall provide explanations in respect of the inquiries and suggestions made by the shareholders at any shareholders' general meeting.

Article 72 The chairperson of a shareholders' general meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.

Article 73 The secretary to the board of directors shall be responsible for preparing minutes of each shareholders' general meeting, which shall contain, among others:

- (I) time, venue, agenda and name of convener of the meeting;
- (II) names of the chairperson, directors, supervisors, the general manager and other senior management that attend or are present at the meeting;
- (III) number of the shareholders attending the meeting in person or by proxy, the total number of voting shares held by them, and proportion of total shares of the Company represented by such shares;
- (IV) course of consideration of, key points of the opinions expressed and result of voting on each proposal;
- (V) inquiries and suggestions made by the shareholders and replies or explanations in connection therewith;
- (VI) other information required by the Articles of Association to be contained in the minutes.

Article 74 The convener shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the directors, supervisors, the secretary to the board of directors, the convener or his/her proxy present at the meeting and the chairperson, and be kept together with the register of attendance of the shareholders present, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than 10 years.

Article 75 The convener shall ensure the shareholders' general meeting proceeds continuously, until the final resolutions have been adopted, and if the meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as practicable or directly terminate the meeting, and announcements shall be made in a timely manner.

Section 6 Voting and Resolutions at Shareholders' General Meetings

Article 76 The resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by more than one half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

A special resolution shall be adopted by more than two-thirds of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting.

Article 77 The following matters shall be approved by the shareholders' general meeting through ordinary resolutions:

- (I) work reports of the board of directors and the supervisory committee;
- (II) profit distribution plans and loss recovery plans drafted by the board of directors;
- (III) appointment or dismissal of the members of the board of directors and the supervisory committee, their remunerations and the method of payment thereof;
- (IV) the Company's annual budgets and final accounts;
- (V) appointment, dismissal and removal of the accounting firm;
- (VI) annual report of the Company;
- (VII) other matters other than those approved by special resolution as stipulated in the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 78 The following matters shall be approved by special resolution at the shareholders' general meeting:

- (I) the increase or decrease of the registered capital of the Company;
- (II) division, spin-off, merger, dissolution and liquidation (including voluntary liquidation) of the Company;
- (III) amendment of the Articles of Association (regardless of any form);

- (IV) substantial assets acquired or disposed of or security provided by the Company for an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (V) equity incentive plans and employee stock ownership plans;
- (VI) other matters as required by the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association, and confirmed by an ordinary resolution at a shareholders' general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

If at any time the share capital of the Company is divided into different classes of shares, the Company intends to vary or abrogate rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution of the separate shareholders' general meeting convened by the affected class shareholders.

Article 79 Shareholders (including proxies) shall exercise their voting rights by the number of voting shares they represent, and each share shall have one vote. When voting, the securities registration and clearing institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, or a shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations enacted in Hong Kong from time to time, entitled to two or more votes needs not cast all them in favour of or against, or to abstain from voting.

Shares 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 the general meeting.

Article 80 When relevant connected transaction is considered at a shareholders' general meeting, the connected shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with valid voting rights; the announcement of the resolutions of the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

Article 81 The Company shall facilitate the participation of shareholders in the shareholders' general meeting through various methods and ways, provided that the shareholders' general meeting is lawful and effective.

Article 82 Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the shareholders' general meeting, the Company shall not enter into any contract with any person other than the directors, general manager and other senior management of the Company, pursuant to which, the Company will delegate the management of all or any important business of the Company to such person.

Article 83 The list of candidates for directors and supervisors shall be submitted to the shareholders' general meeting for voting by proposals. The nomination methods and procedures for directors and supervisors are as follows:

- (I) Candidates for directors shall be nominated by the board of directors or shareholders individually or collectively holding 3% or more of the Company's shares, and submitted to the shareholders' general meeting for review;
- (II) Candidates for independent non-executive directors shall be nominated by the board of directors, supervisory committee or shareholders individually or collectively holding 1% or more of the Company's shares, and submitted to the shareholders' general meeting for review;
- (III) Candidates for non-employee representative supervisors shall be nominated by the supervisory committee or shareholders individually or collectively holding 3% or more of the Company's shares, and submitted to the shareholders' general meeting for review;
- (IV) Candidates for employee representative supervisors shall be elected by the employee representatives' meeting;

When nominating directors, independent non-executive directors or supervisors, shareholders shall submit the nomination proposal, detailed information of the nominated candidates, statements or commitments of the candidates to the board of directors 10 days before the shareholders' general meeting.

The board of directors shall announce to the shareholders the resumes and basic information of the director and supervisor candidates.

When the election of directors and supervisors is put to vote at a shareholders' general meeting, an accumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders' general meeting.

The accumulative voting system referred to in the previous paragraph represents voting rights of each share shall be the same as the number of candidates for directors or supervisors during the election of directors and supervisors at the shareholders' general meeting. Shareholders with voting rights may cast all votes to one candidate.

The election of and votes on the independent non-executive directors, non-independent directors and supervisors shall be conducted separately. At the shareholders' general meeting where the accumulative voting system is adopted to elect directors or supervisors, the secretary to the board of directors shall explain the specific content and voting rules of the accumulative voting system to shareholders, and inform them of the voting rights per share during such election of directors or supervisors.

Article 84 Except for the accumulative voting system, votes on proposals shall be taken one by one at a shareholders' general meeting, and if there are different proposals regarding the same matter, vote on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' general meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' general meeting shall not put on hold or refrain from voting on any proposal.

Article 85 No proposal deliberated at a shareholders' general meeting shall be amended; otherwise, the relevant amendment shall be deemed a new proposal, which shall not be voted on at the same meeting.

Article 86 The same voting right can only be exercised at on-site meetings, online or by other means. If the same vote is cast more than once, only the first vote will be deemed valid.

Article 87 The voting at the shareholders' general meeting shall be conducted by a registered poll.

Article 88 Before voting on any proposal at a shareholders' general meeting, two shareholders' representatives shall be elected to participate in the votes counting or scrutinizing, provided that no such shareholders' representative shall be a shareholder who is interested in the subject matter of such proposal or his/her proxy.

When voting on any proposal at a shareholders' general meeting, shareholders' representatives and supervisors' representatives shall jointly count and scrutinize the votes cast on such proposal. The voting results shall be declared at the meeting and recorded in the minutes of the meeting.

The shareholders, who cast votes online or by other means, whether in person or by proxy, shall have the right to check their voting results through the relevant voting system.

Article 89 The chairperson shall declare the voting and result thereof on each proposal, and whether such proposal has been adopted accordingly.

Before the formal declaration of the result of any voting, the Company, teller(s), scrutineer(s), substantial shareholders, network service provider and other persons involved in voting on site, online and by other means (if any) at the shareholders' general meeting shall have the obligation to keep confidential the information related to the voting.

Article 90 A shareholder attending any shareholders' general meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except where the securities registration and clearing institution, as a nominee holder under the Mainland-Hong Kong Stock Connect Scheme, or a shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations enacted in Hong Kong from time to time, may make declarations according to the intentions of the actual holders.

In the event of any vote that is uncompleted, erroneously completed or illegible, or fails to be cast, the shareholder casting or failing to cast the same shall be deemed to have waived his/her voting right, and the voting results of the shares held by him/her shall counted as "abstaining from voting".

Article 91 If the chairperson of the shareholders' general meeting has any doubt about the result of voting on any resolution submitted for voting, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared if such shareholder objects to the result of voting declared by the chairperson, in which case, the chairperson shall immediately have the votes counted.

Article 92 The resolutions of the general meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed.

Article 93 The resolutions of a shareholders' general meeting shall specifically indicate any proposal that fails to be adopted at the meeting or any amendment to any resolution of the previous shareholders' general meeting in the corresponding resolution.

Article 94 If a shareholders' general meeting adopts any resolution on the appointment of directors and supervisors, the term of office of the newly appointed directors and supervisors shall commence from the date of the passing of the resolution at the shareholders' general meeting until the expiration of the term of office of the current session of the board of directors and the supervisory committee.

Article 95 Where a resolution on the distribution of cash or stock dividends or capitalization of capital reserve is adopted at a shareholders' general meeting, the Company shall implement the specific plan within six months after the end of the shareholders' general meeting.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 96 Directors of the Company shall be natural persons. The following person shall not serve as a director of the Company:

- (I) a person without capacity or with limited capacity of civil conduct;

- (II) a person who has committed offenses relating to corruption, bribery, embezzlement of fund, misappropriation of property or disruption of the order of the socialist market economy and has been sentenced to criminal punishment, where less than 5 years has elapsed since the date of completion of the sentence, or who has been deprived of his/her political rights due to a criminal offense, where less than 5 years has elapsed since the date of restoring his/her political rights;
- (III) a person who was a former director, factory manager or manager of a company or enterprise which was declared bankrupt and was liquidated, and who was personally liable for the bankruptcy of such a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) a person who was a legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to violation of the law, and who was personally liable, where less than 3 years has elapsed since the date of the revocation;
- (V) a person who has a substantial number of debts due and outstanding;
- (VI) a person who is subject to the CSRC's measures which prohibit him/her from entering into the securities market for a period which has not yet expired;
- (VII) other circumstances specified by the laws, regulative laws and regulations, departmental rules, or regulatory rules of the place where the Company's shares are listed.

The election of any director in violation of the provisions of this article shall be invalid and void. Any director who becomes disqualified during his/her term of office pursuant to this article shall be removed from office by the Company.

Article 97 Directors shall be elected or replaced at the shareholders' general meetings each for a term of three years. A director may seek reelection upon expiry of the said term. Prior to the maturity of his/her term, a director shall not be removed without cause from his/her office by the general meeting.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current term of the board of directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association until the elected director assumes his/her office.

The shareholders' general meeting may by ordinary resolution remove any director (including general manager or other executive director) before the expiration of his/her term of office on the condition that all the relevant laws and regulative laws and regulations are fully complied with; however, the claim for compensation made by the director under any contract shall not be affected by the removal.

Article 98 The directors shall abide by laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association, and bear fiduciary obligations towards the Company:

- (I) shall not abuse their authority to accept bribes or other illegal income and shall not encroach upon the properties of the Company;
- (II) shall not misappropriate corporate funds;
- (III) shall not deposit any of the Company's assets or capital in an account opened in their own names or in others' names;
- (IV) shall not, in violation of the Articles of Association, loan Company's funds or corporate assets to any other person or provide guarantees to any other person without the approval of the shareholders' general meeting or the board of directors;
- (V) shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the shareholders' general meeting;
- (VI) shall not take the advantages provided by their own positions to pursue business opportunities that properly belong to the Company or to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the shareholders' general meeting;
- (VII) shall not accept commissions paid by others for transactions conducted with the Company as their own benefits;
- (VIII) shall not disclose confidential information of the Company without authorization;

- (IX) shall not use their connected (related) relationships to damage the Company's interests;
- (X) other fiduciary obligations stipulated in laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The income obtained by the director in violation of this article shall belong to the Company; if losses are caused to the Company, it shall be liable for compensation.

Article 99 Directors, supervisors and senior management of the Company should pay attention to the pledge of shares by the controlling shareholders and persons acting in concert with them, and carefully verify and evaluate the potential impact of the high proportion of pledge by the controlling shareholders and persons acting in concert with them on control over the Company, production and operation stability, shareholding structure, corporate governance, and fulfillment of performance compensation obligations in accordance with regulations.

Article 100 The directors shall abide by laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association, and bear diligent obligations towards the Company:

- (I) shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, regulative laws and regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in its business license;
- (II) shall treat all shareholders equally;
- (III) timely keeping abreast of the Company's business operation and management situation;
- (IV) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) shall truthfully provide information and materials to the supervisory committee and shall not obstruct the supervisory committee or individual supervisors from performing its or their duties;
- (VI) other obligations of diligence stipulated in the laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Article 101 If any director fails to attend in person or appoint another director to attend on his/her behalf two consecutive board meetings, such director shall be deemed to be unable to perform his/her duties and the board of directors shall propose removal of such director to the shareholders' general meeting.

Article 102 A director may resign before expiry of his/her term of service. A director shall submit a written resignation notice to the board of directors when he/she resigns. The board of directors shall disclose the relevant matter within 2 days.

If the number of directors falls below the minimum quorum requirement due to a director's resignation, or if the number of independent non-executive directors falls below one-third of the total number of board members or there is no accounting professional among the independent non-executive directors due to the resignation of an independent non-executive director, the former directors shall still perform their duties as directors in accordance with the requirements of the laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association until an elected director assumes his/her office.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the board of directors.

Article 103 When a director's resignation comes into effect or his/her term of service expires, the director shall complete all handover procedures with the board of directors. The duty of loyalty owed by the director to the Company and shareholders shall not automatically terminate upon expiration of the term but shall remain in effect for a period of two years starting from the effective date of resignation or the expiration of the term. The duty of confidentiality of directors in relation to the Company survives the termination of their tenure until such trade secrets become public. The continuance of other duties of directors shall be determined on a fair basis depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 104 Without the provisions of the Articles of Association or the lawful authorization of the board of directors, no director shall act in his own name on behalf of the Company or the board of directors. When a director acts in his/her own name, the director shall declare his/her position and identity in advance if the third party reasonably believes that the director is acting on behalf of the Company or the board of directors.

Article 105 A director shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, regulative laws and regulations, departmental rules or the Articles of Association in the course of performing his/her duties in the Company.

Article 106 Independent non-executive directors shall comply with laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, and relevant provisions of the Terms of Reference for Independent Directors of Zhou Liu Fu Jewellery Co., Ltd.

Section 2 Board of Directors

Article 107 The Company shall have a board of directors, which is responsible to the shareholders' general meeting.

Article 108 The board of directors consists of 8 directors. Independent non-executive directors shall comprise one-third or more of the members of the board and shall not be less than three members. All directors are elected at the shareholders' general meeting.

The audit committee, remuneration and appraisal committee, and nomination committee are established under the board of directors of the Company. The special committees shall consist of no less than three directors, of which more than half members of the audit committee, remuneration and appraisal committee, and nomination committee shall be independent non- executive directors. The convener of the audit committee shall be an accounting professional.

The terms of reference and procedures of each special committee are set out in the rules of procedure of each special committee formulated by the board of directors of the Company.

Article 109 The board of directors exercises the following functions and powers:

- (I) to convene the shareholders' general meeting and report on work to the shareholders' general meeting;
- (II) to implement the resolutions of the shareholders' general meeting;
- (III) to determine the business and investment plans of the Company;
- (IV) to devise the annual financial budget and closing account plans of the Company;
- (V) to devise the profit distribution plans and loss recovery plans of the Company;

- (VI) to formulate the plans for increasing or decreasing the Company's registered capital, the issuance of bonds or other securities, as well as the listing of the Company;
- (VII) to formulate plans for major acquisitions of the Company, the buy-back of shares of the Company, or merger, division, dissolution and change of the form of the Company;
- (VIII) to determine such matters as the Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external financing within the scope authorized by the shareholders' general meeting;
- (IX) to decide on the setup of the Company's internal management organization;
- (X) to appoint or dismiss the general manager, the secretary to the board of directors and other senior management members, and determine their remunerations and rewards and punishments; based on the nomination of the general manager, to appoint or dismiss senior management members of the Company such as deputy general manager and finance manager, and determine their remunerations and rewards and punishments;
- (XI) to set the basic management systems of the Company;
- (XII) to make the modification plan to the Articles of Association;
- (XIII) to manage the disclosure of company information;
- (XIV) to propose the appointment or replacement of the accounting firm that performs audits for the Company at the shareholders' general meeting;
- (XV) to attend to the work report of the Company's general manager and review the work of the general manager;
- (XVI) other powers and duties authorized by the laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for deliberation.

Article 110 The board of directors of the Company shall make explanation at the shareholders' general meeting for the non-standard audit opinions on the financial report of the Company issued by the certified public accountant.

Article 111 The board of directors shall establish its rules of procedure to ensure the implementation of the resolutions of the shareholders' general meeting, improve its efficiency and make scientific decisions.

Article 112 The board of directors shall determine the scope of authorities in respect of external investments, acquisition and sale of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects should be reviewed by relevant experts and professionals, and subject to approval at the shareholders' general meeting.

Article 113 The board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected by the board of directors with approval of more than half of all the directors.

Article 114 The chairman shall exercise the following functions and powers:

- (I) to preside over the shareholders' general meeting and convene and preside over the board meetings;
- (II) to supervise and examine the implementation of the resolutions of the board of directors;
- (III) other functions and powers delegated by the board of directors.

Article 115 Board meetings shall be held at least four times a year. Meetings shall be convened by the chairman of the board of the directors. Written notice shall be given to all directors and supervisors at least 14 days before the meeting is held.

Article 116 The chairman shall, on requisition of the shareholders representing 1/10 or more of the voting rights of the Company, or 1/3 or more of the directors, or the supervisory committee, convene and preside over an ad hoc board meeting within 10 days after receiving such requisition.

Article 117 The convening of an ad hoc board meeting by the board of directors shall be notified in writing or by fax, email, letter (including express delivery), personal delivery, etc. at least 3 days in advance.

Under special circumstances that require the board of directors to reach an immediate resolution and in the interests of the Company, the convening of an ad hoc board meeting need not be subject to the restrictions of the method and time limit of notification set out in the preceding paragraph, provided that the convener shall make an explanation at the meeting and record it in the minutes of meeting.

Article 118 The notice of a board meeting shall include the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) subject matter and topics of the meeting;
- (IV) date of notice.

Article 119 The board meeting shall be attended by more than one half of the directors. Resolutions made by the board of directors shall be approved by a majority of all directors.

Voting on the resolutions of the board of directors shall be conducted on a one-person-one vote basis.

Article 120 If a director is connected to the enterprises involved in the matters to be resolved at the board of directors, he/she shall not exercise voting rights on such resolutions, nor shall he/she act as a proxy to exercise voting rights on behalf of other directors. Such board meeting may be held with the attendance of over half of the directors without connected relationship. Resolutions made at the board meeting shall be adopted by over half of the directors without connected relationship. If the number of non-connected directors present at the board meeting is less than three, the matter shall be submitted to the shareholders' general meeting for consideration.

Article 121 Resolutions of the board shall be adopted through recorded voting.

At an ad hoc board meeting, to the extent that the directors have sufficient opportunities to express their opinions, a resolution may be adopted by communication means such as fax and video conference and signed by the directors attending the meeting

Article 122 A director shall attend each meeting of the board in person, or if he/she is unable to attend the meeting due to any reason, he/she may entrust any other director in writing to attend on behalf of him/her. Such an instrument of proxy shall specify the name of proxy, matters authorized, powers delegated and validity term, among others, and be signed or stamped by the principal. A director attending a meeting as the proxy of another director shall exercise the rights of a director within the powers delegated by the principal. Any director who fails to attend a board meeting in person or by proxy shall be deemed to have waived his/her voting rights at such meeting.

Article 123 The board of directors shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by all directors present at such meeting.

The meeting minutes of the board of directors shall be kept as a record of the Company for not less than 10 years.

Article 124 The minutes of a board meeting shall contain, among others:

- (I) date, venue and name of convener of the meeting;
- (II) names of the directors present at the meeting and the directors (proxies) attending the meeting on behalf of other directors;
- (III) agenda of the meeting;
- (IV) key points of the speeches delivered by each director;
- (V) method and result of voting on each resolution (including the number of votes for and against and abstentions).

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 125 The Company shall have one general manager who shall be appointed or dismissed by the board of directors.

The Company can have a few deputy general managers and shall have one secretary to the board of directors, one finance manager, and other senior management members appointed by the board of directors, all of whom shall be senior management of the Company and appointed or dismissed by the board of directors. The circumstances in Article 96 of the Articles of Association regarding disqualification from serving as a director shall also apply to senior management.

The provisions regarding the fiduciary duties of directors under Article 98 and the diligence obligations under Article 100 of the Articles of Association shall also apply to senior management.

Article 126 Any person who holds any office (other than director or supervisor) in any entity of the controlling shareholders and de facto controllers of the Company shall not hold any office of senior management in the Company concurrently.

The senior management may receive their remunerations from the Company only, rather than from the controlling shareholder of the Company.

Article 127 Each term of office of the general manager is three years and is renewable upon re-election.

Article 128 The general manager is responsible to the board of directors and exercises the following powers:

- (I) to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the board of directors and report to the board of directors on work;
- (II) to organize the implementation of the annual operation plans and investment schemes of the Company;
- (III) to formulate the structure scheme of the internal management department of the Company;
- (IV) to formulate the fundamental management policies of the Company;
- (V) to formulate the specific management rules of the Company;

- (VI) to propose to the board of directors the appointment or dismissal of the Company's deputy general manager and other senior management;
- (VII) to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the board of directors;
- (VIII) other functions and powers authorized by the Articles of Association and the board of directors.

The general manager shall be present at board meetings.

Article 129 The general manager shall prepare the terms of reference for the general manager, and implement the same upon approval by the board of directors.

Article 130 The terms of reference for the general manager shall specify, among others:

- (I) conditions for convening, proceedings at and attendees of the meetings by the general manager;
- (II) respective duties and responsibilities and division of labor of the general manager and other senior management;
- (III) application of the funds and assets of the Company, authority to enter into material contracts, and the system for reporting to the board of directors and the supervisory committee;
- (IV) other matters that the board of directors deems necessary.

Article 131 The general manager may resign prior to the expiration of his/her term of office. The specific procedures and methods for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.

Article 132 The deputy general manager of the Company shall be nominated by the general manager and appointed by the board of directors, and shall assist the general manager in carrying out business operation.

Article 133 The Company shall have a secretary to the board of directors of the Company. The secretary to the board of directors of the Company shall be responsible for the preparation of general meetings and board of directors' meetings, documents custody and management of the Company shareholders' information, handling of disclosure of news, etc.

The secretary to the board of directors shall comply with the relevant provisions of laws, regulative laws and regulations, departmental rules and the Articles of Association.

Article 134 Any senior management who violates the relevant laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association in performing his/her duties in the Company shall indemnify the Company for the losses arising therefrom. The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Any senior management of the Company who fails to faithfully perform his/her duties or breaches the fiduciary duty shall indemnify the Company and the public shareholders for the damage arising therefrom according to law.

CHAPTER 7 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 135 Article 96 of the Articles of Association regarding the circumstances under which a person may not serve as a director shall also apply to supervisors.

Directors, the general manager and other senior management members shall not serve as supervisors concurrently.

Article 136 The supervisors shall observe the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association, shall fulfil the obligations of honesty and diligence to the Company, and shall not abuse their official powers to accept bribes or other unlawful income or expropriate the Company's property.

Article 137 Supervisors shall serve a term of three years and the term is renewable upon reelection when it expires.

Article 138 If the term of office of a supervisor expires but re-election is not made in a timely manner or if any supervisor resigns during his term of office so that the membership of the supervisory committee falls short of the quorum, the said supervisor shall continue to perform the duties as supervisor pursuant to the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association until the elected supervisor assumes his office.

Article 139 The supervisors shall ensure the authenticity, accuracy and completeness of the information disclosed by the Company, and sign to confirm the regular reports of the Company in writing.

Article 140 The supervisors may be present at the meetings of the board of directors and may raise questions or make recommendations on the resolutions to be passed by the board of directors.

Article 141 A supervisor shall not take advantage of his/her related (connected) relationship with the Company to the detriment of the interests of the Company, and shall indemnify the Company for the losses arising therefrom.

Article 142 A supervisor shall be personally liable for any loss suffered by the Company as a result of a violation by him/her of any laws, regulative laws and regulations, departmental rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association in the course of performing his/her duties in the Company.

Section 2 Supervisory Committee

Article 143 The Company shall have a supervisory committee, which shall be composed of three supervisors.

One of the members of the supervisory committee shall act as the chairman who shall be elected by a majority of its members. Meetings of the supervisory committee shall be convened and presided over by the chairman of the supervisory committee; if the chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor who has been elected by more than one half of the supervisors shall convene and preside over the meeting of the supervisory committee.

The proportion of employee representatives shall not be less than one-third of the members of the supervisory committee. The employee representatives in the supervisory committee shall be elected democratically by the employees of the Company at the employee representatives' meeting, employees' meeting or in other forms.

Article 144 The supervisory committee shall exercise the following functions and powers:

- (I) to examine the regular reports of the Company prepared by the board of directors and produce written opinions thereon;
- (II) to examine the financial operations of the Company;

- (III) to supervise the performance of duties to the Company by the directors and senior management, and propose dismissal of any director or senior management member who violates the laws, regulative laws and regulations, the Articles of Association, regulatory rules of the place where the Company's shares are listed or resolutions of shareholders' general meeting;
- (IV) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (V) to propose the convening of an extraordinary general meeting, and to convene and preside over the shareholders' general meeting when the board of directors fails to perform such duties as specified in the Company Law;
- (VI) to submit proposals to the shareholders' general meeting;
- (VII) to institute legal proceedings against the directors and senior management members according to the Company Law;
- (VIII) in the event that the supervisory committee discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as accounting firms and law firms, to assist in its work; any expenses incurred thereby shall be borne by the Company.

Article 145 Regular meetings of the supervisory committee shall be held once every six months. Supervisors may propose to convene interim meetings of the supervisory committee.

The resolutions of the supervisory committee shall be passed by more than half of the supervisors.

Article 146 The supervisory committee shall establish the rules of procedure for the supervisory committee and clarify its method of discussion and voting procedures, to ensure the work efficiency and scientific decision-making of the supervisory committee.

Article 147 The supervisory committee shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by the supervisors present at such meeting.

A supervisor shall have the right to request certain explanatory notes to be made in the meeting minutes regarding his/her speeches at the meeting. The meeting minutes of the supervisory committee shall be kept as records of the Company for at least 10 years.

Article 148 The notice of a meeting of the supervisory committee shall include the following:

- (I) date, venue and duration of the meeting;
- (II) subject matter and topics of the meeting;
- (III) date of notice.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 149 The Company shall establish its financial and accounting system in accordance with the laws, regulative laws and regulations, regulatory rules of the place where the Company's shares are listed and the accounting principles of China formulated by the Ministry of Finance.

Article 150 At the end of each accounting year, the Company shall prepare a financial report which shall be audited according to law.

The Company's financial reports shall include the following financial and accounting statements as well as schedules of breakdowns:

- (I) Balance sheet;
- (II) Statement of profit and loss;
- (III) Statement of cash flow;
- (IV) Notes to the financial and accounting statements;
- (V) Statement of profit distribution.

Where laws, regulative laws and regulations, normative documents promulgated by competent authorities, and regulatory rules of the place where the Company's shares are listed otherwise specify regarding the financial reports, those provisions shall prevail.

Article 151 The board of directors of the Company shall place before the shareholders at each annual general meeting such financial reports as relevant laws, regulative laws and regulations and normative documents promulgated by the local government and the authorities-in-charge as well as the provisions of the place where the Company's shares are listed require the Company to prepare.

Article 152 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual general meeting.

The Company shall despatch (herein referred to as "send") by post, with postage prepaid, to each holder of overseas listed shares an annual report comprising the annual accounts and a copy of the auditor's report thereon not less than 21 days before the date of the annual general meeting. The address of each shareholder should be the address listed on the register of shareholders of the Company. Subject to the requirements of laws, regulative laws and regulations or regulatory rules of the place where the Company's shares are listed, such information may be given by way of announcement (including through the website of the Company and the website of the Hong Kong Stock Exchange). Once the announcement is made and relevant procedures are fulfilled in accordance with laws, regulative laws and regulations and regulatory rules of the place where the Company's shares are listed, all shareholders shall be deemed to have received the aforementioned financial report.

Article 153 The Company shall prepare its financial statement not only in accordance with the Chinese accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place. In case there are major discrepancies between the financial statements prepared in accordance with the two different accounting standards, it should be explained in the notes to the financial statements. When distributing the after-tax profit for the fiscal year, the Company shall base on the lower of the after-tax profit as determined in the financial statements prepared according to (i) Chinese accounting standards and regulations, and (ii) international accounting standards or the accounting standards in the overseas listing place.

Article 154 Interim results or financial information published or disclosed by the Company shall be prepared not only in accordance with the Chinese accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place.

Article 155 The Company is required to publish an annual results announcement within three months after the end of the fiscal year, as well as an interim results announcement within two months after the end of the first six months of each year according to the listing rules of the Hong Kong Stock Exchange.

The Company is required to publish an annual report within four months after the end of the fiscal year and an interim report within three months after the end of the first six months of each year according to the listing rules of the Hong Kong Stock Exchange.

Article 156 The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Article 157 In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

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

After withdrawing statutory reserve fund from after-tax profit, the Company may, subject to a resolution of the shareholders' general meeting, withdraw discretionary reserve fund from after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings unless otherwise specified in the Articles of Association.

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

The Company's shares held by the Company are not entitled to any profit distribution.

Article 158 The reserve of the Company shall be applied to making up for the Company's losses, expanding its business operations or increasing its capital. The capital reserve, however, shall not be used to make up for the Company's losses.

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

Article 159 After the shareholders' general meeting of the Company has resolved on the profit distribution plan, the distribution of dividends (or shares) shall be completed within 2 months after the shareholders' general meeting is held.

Article 160 The Company's profit distribution policy:

(I) Principles of profit distribution

1. The Company shall maintain a continuous and stable profit distribution policy, and the Company's profit distribution should pay attention to bringing reasonable return to investors and take into account the actual operating situation and sustainable development of the Company during the year.
2. Profit distribution shall not exceed the scope of accumulated distributable profits, or damage the Company's ability to continue as a going concern. The board of directors, the supervisory committee and the shareholders' general meeting of the Company shall, in the decision-making and discussion process in respect of profit distribution policies, fully consider the opinions of independent non-executive directors and public investors.
3. The Company may distribute profits by cash, shares, a combination of cash and shares, or other means permitted by laws and regulations. The Company shall prioritize the use of cash dividends for profit distribution. If the conditions for cash dividends are satisfied, cash dividends shall be used for profit distribution;

4. In the event that a shareholder misappropriates the funds of the Company, the Company shall, during distribution of cash dividends, deduct the cash dividends distributable to such shareholder for recovery of the misappropriated funds.
5. Save for the exceptions stated in the Articles of Association, the Company shall, in principle, distribute profits once every accounting year, based on the net operating cash flow position and provided that the Company records profit for the year and the accumulated undistributed profit is positive. Where necessary, the board of directors of the Company may also propose the distribution of interim cash dividends or share dividends based on profitability and funding needs.

(II) Cash dividends

1. Specific conditions for the implementation of cash dividends

The auditor issues in the audit report a standard unqualified opinion on the Company's financial report for the year; the Company records profit for the year and the undistributed profit at the end of the year is positive; the implementation of cash dividends will not affect the Company's subsequent needs for funds in its normal production and operation; there are no major investment plans or arrangements for material capital expenditure. If these conditions are satisfied, cash dividends shall be used for profit distribution.

The major investment plans or arrangements for material capital expenditure (excluding fund-raising projects) mentioned in the preceding paragraph refer to any of the following circumstances:

- (1) the amount of accumulative expenditure for intended external investments, acquisition of assets or purchase of equipment of the Company within the next twelve months reaches or exceeds 50% of the Company's latest audited net assets and exceeds RMB30 million;
- (2) the amount of accumulative expenditure for intended external investments, acquisition of assets or purchase of equipment of the Company within the next twelve months reaches or exceeds 30% of the Company's latest audited total assets;
- (3) other circumstances stipulated by the CSRC or the Shenzhen Stock Exchange.

2. Proportion and interval of cash dividends

If the Company records profit for the year and the accumulated undistributed profit is positive, and the Company's funding needs for normal production and operation are satisfied, the Company shall distribute no less than 10% of the distributable profit in cash each year, provided that there are no material adverse changes in the external operating environment and conditions.

Generally, the Company would distribute annual dividends if a positive net profit attributable to shareholders of the Company for the year is recorded. The board of directors of the Company may also propose interim or quarterly profit distribution based on the current profit level, cash flow position, development stage and funding needs.

(III) Share dividends

If the Company is in good operating conditions and the board of directors believes that earnings per share and share price of the Company do not align with the size and structure of its share capital, the Company may distribute profits by share dividends, provided that the above ratio of cash dividends is met. Profit distribution by share dividends shall be made with reference to real and reasonable factors such as the Company's growth potential and the dilution of net assets per share.

(IV) Decision-making procedures and mechanisms for profit distribution

1. The profit distribution plan shall be reviewed and approved by the board of directors and the supervisory committee of the Company before being submitted to the shareholders' general meeting for consideration. The profit distribution plan put before the board of directors must be approved by a majority of all directors and by more than half of the independent non-executive directors of the Company. The profit distribution plan put before the supervisory committee must be approved by more than half of all supervisors.
2. The profit distribution plan put before the shareholders' general meeting must be adopted by more than half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting. The plan for share dividends or conversion of capital reserve put before the shareholders' general meeting must be adopted by more than two-thirds of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' general meeting. The Company should communicate and exchange with shareholders, especially minority shareholders, through various channels (including but not limited to communication via telephone or email, online voting, or inviting minority shareholders to attend meetings), fully listen to the opinions and requests from minority shareholders, and reply in a timely manner the concerns from minority shareholders.

Section 2 Internal Audit

Article 161 The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial income and expenditure and economic activities of the Company.

Article 162 The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the board of directors. The officer in charge of audit shall be accountable to the board of directors and report his/her work to the same.

Section 3 Appointment of Accounting Firm

Article 163 The Company shall engage an accounting firm which complies with the requirements of the Securities Law and the regulatory rules of the place where the Company's shares are listed to audit the financial statements, net assets verification and other relevant consultancy services. The term of office of an accounting firm appointed by the Company shall be one year, and the appointment may be renewed.

Article 164 The engagement of an accounting firm by the Company shall be determined at the shareholders' general meeting, and the board of directors shall not engage an accounting firm before any decision is made at the shareholders' general meeting.

Article 165 The Company shall ensure to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

Article 166 The audit fee of the accounting firm shall be determined by the shareholders' general meeting.

Article 167 A 10-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the shareholders' general meeting of the Company conducts a vote on the dismissal of the accounting firm.

Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

CHAPTER 9 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 168 The notices of the Company may be served as follows:

- (I) by hand;
- (II) by post (including email);
- (III) by announcement;
- (IV) by fax;
- (V) by other means as specified by the listing rules of the place where the Company's shares are listed and the securities regulatory authority or as approved or provided by the Articles of Association.

Article 169 Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Article 170 Subject to the requirements of laws, regulations or regulatory rules of the place where the Company's shares are listed, the notice convening the shareholders' general meeting shall be given by way of announcement on the website of the Company and the website of the Hong Kong Stock Exchange.

Article 171 The convening of a board meeting by the Company shall be notified in writing or by fax, email, letter (including express delivery), personal delivery etc.

Article 172 The convening of a meeting of the supervisory committee by the Company shall be notified in writing or by fax, email, letter (including express delivery), personal delivery etc.

Article 173 For notice of the Company sent by personal delivery, the date of service shall be the date when the recipient signed (or stamped) to acknowledge receipt of the same; for notice of the Company sent by letter (including express delivery), the date of service shall be the third working day from the date on which the post office (including express company) receives the notice; for notice of the Company sent by email or fax, the date of service shall be the date when the email or fax is sent out; for notice of the Company issued by announcement, the date of service shall be the date when the Company publishes the first announcement.

Article 174 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 notice shall not invalidate the proceedings at that meeting and resolution adopted thereat as long as the number of attendees and voting results are legal and valid.

Section 2 Announcement

Article 175 The Company shall publish the corporate announcements and other information required to be disclosed in the information disclosure media that comply with the laws and regulative laws and regulations such as the Company Law and the Securities Law and the regulatory rules of the place where the Company's shares are listed.

CHAPTER 10 MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Reduction of Capital,

Article 176 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption means that a company absorbing another company and the company being absorbed shall be dissolved. Merger by establishment of a new entity means that a merger of two or more companies through the establishment of a new company and the companies being consolidated shall be dissolved.

Article 177 If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of the resolution for the merger and shall publish an announcement in a newspaper within 30 days from the date of such resolution.

A creditor may within 30 days from receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days from the date of the public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

Article 178 When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

Article 179 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 a property list shall be prepared. The Company shall notify its creditors within 10 days from the date of the resolution for the division and shall publish an announcement in a newspaper within 30 days from the date of such resolution.

Article 180 Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Article 181 If the Company is to reduce its registered capital, it must prepare a balance sheet and a list of its property.

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

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

Article 182 Where a merger or division of the Company involves any changes to any registration, an application for modification of registration shall be made to the company registration authority pursuant to the law; where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law; where a new company is established, the Company shall apply for registration thereof in accordance with law.

If the Company is to reduce or increase its registered capital, such changes shall be registered with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 183 In any of the following circumstances, the Company shall be dissolved:

- (I) the term of business set out in the Articles of Association has expired or events of dissolution specified in the Articles of Association have occurred;
- (II) a resolution for dissolution is passed at a shareholders' general meeting;

- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the business license is revoked, the Company is ordered to close or is eliminated according to law;
- (V) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company's shareholders may appeal to the people's court for dissolution of the Company.

Article 184 In the event of (I) of Article 183 of the Articles of Association, the Company may carry on its existence by amending the Articles of Association.

The amendments to the Articles of Association in accordance with provisions set out in the preceding paragraph shall require approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Article 185 Where the Company is dissolved pursuant to (I), (II), (IV) and (V) of Article 183 of the Articles of Association, a liquidation committee shall be formed within 15 days from the date of occurrence of such grounds for dissolution, to start the liquidation process. The composition of the liquidation committee shall be determined by directors or the shareholders' general meeting. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.

Article 186 The liquidation committee shall perform the following powers and duties during the period of liquidation:

- (I) to sort out the Company's assets and to prepare a balance sheet and a property list;
- (II) to inform creditors by notice or announcement;
- (III) to deal with the outstanding businesses of the Company relating to liquidation;
- (IV) to pay off outstanding taxes as well as taxes arising in the course of liquidation;

(V) to settle claims and liabilities;

(VI) to handle the remaining assets of the Company after repayment of debts;

(VII) to represent the Company in civil proceedings.

Article 187 The liquidation committee shall notify the creditors within 10 days from the date of its establishment and shall publish an announcement in a newspaper within 60 days. Creditors shall, within 30 days from receipt of the notice or, in case where he/she fails to receive such notice, within 45 days from 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 any debts to any creditors during the period of credit declaration.

Article 188 After checking the assets of the Company and preparing a balance sheet and a property list, the liquidation committee shall formulate a liquidation plan for the confirmation by the shareholders 'general meeting or the people's court.

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 shareholdings.

During the liquidation period, the Company shall continue to exist but cannot 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 paragraph.

Article 189 If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and a property list, discovers that the assets of the Company are insufficient to pay off its debts, it shall file an application to the people's court for a declaration of bankruptcy in accordance with the laws.

Upon the declaration of bankruptcy of the Company by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 190 Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' general meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for the deregistration of the Company, and announce the termination of the Company.

Article 191 The members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations in accordance with the laws.

Any member of the liquidation committee shall not take advantage of his/her powers to accept bribes or other illegal payments or embezzle the property of the Company.

Any member of the liquidation committee shall indemnify the Company or the creditors for the losses arising from his/her intentional or gross negligence.

Article 192 Where the Company is declared bankrupt in accordance with the laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

CHAPTER 11 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 193 Under any of the following circumstances, the Company shall amend the Articles of Association:

- (I) after amendment has been made to the Company Law or relevant laws, regulative laws and regulations and regulatory rules of the place where the Company's shares are listed, the contents of the Articles of Association are in conflict with the amended laws or regulative laws and regulations;
- (II) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;
- (III) the shareholders' general meeting has resolved to amend the Articles of Association.

Article 194 Where the amendments to the Articles of Association passed by the shareholders' general meetings are subject to the examination and approval or filing by the competent authorities, such amendments shall be submitted to the competent authorities for approval or filing. Where the amendments involve registration particulars of the Company, the Company shall register relevant changes according to law.

Article 195 The board of directors shall revise the Articles of Association in accordance with the resolutions of the shareholders' general meeting to amend the Articles of Association and the examination and approval opinions of the relevant competent authorities.

Article 196 If the amendments to the Articles of Association are within the scope of information that must be disclosed as required by laws and regulations, they shall be made public according to the provisions.

CHAPTER 12 SUPPLEMENTARY PROVISIONS

Article 197 Definitions

- (I) De facto controller means a person which is not a shareholder but actually possesses the power to direct the acts of the Company through investment, contract or other arrangement.
- (II) The “connected transactions” and “controlling shareholders” referred to in the Articles of Association shall have the meaning ascribed to them under the Hong Kong Listing Rules.

Article 198 Subject to the provisions hereof, the board of directors may formulate detailed rules for implementation of the Articles of Association, provided that such detailed rules shall not conflict with the provisions hereof.

Article 199 The Articles of Association shall be prepared in Chinese. In case of any discrepancy between different languages or versions of the Articles of Association, the Chinese version of the Articles of Association most recently filed with the company registration authority shall prevail.

Article 200 For purpose of the Articles of Association, the terms “not less than”, “within” and “not more than” include the given figure, and the terms “beyond”, “lower than” and “more than” do not include the given figure.

Article 201 The board of directors of the Company shall be responsible for the interpretation of the Articles of Association.

Article 202 The exhibits to the Articles of Association include the rules of procedure for the shareholders' general meeting, the rules of procedure for the board of directors and the rules of procedure for the supervisory committee.

Article 203 The Articles of Association shall, as approved by the shareholders' general meeting, take effect since the Company's initial public offering of shares and from the date on which such shares are listed and traded on the main board of the Hong Kong Stock Exchange.