
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in AlInnovation Technology Group Co., Ltd, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



AINNOVATION TECHNOLOGY GROUP CO., LTD* 創新奇智科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2121)

- (1) ANNUAL REPORT FOR THE YEAR 2024
- (2) REPORT OF THE BOARD FOR THE YEAR 2024
- (3) REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024
- (4) RE-APPOINTMENT OF AUDITOR FOR THE YEAR 2025
- (5) CANCELLATION OF SHARES REPURCHASED
- (6) REDUCTION IN THE COMPANY'S REGISTERED CAPITAL
- (7) PROPOSED GRANTING OF GENERAL MANDATE
TO THE BOARD TO REPURCHASE SHARES
- (8) PROPOSED GRANTING OF GENERAL MANDATE
TO THE BOARD TO ISSUE SHARES
- (9) AMENDMENTS TO THE ARTICLES OF ASSOCIATION
- (10) ADOPTION OF THE PROCEDURAL RULES
FOR THE SHAREHOLDERS' MEETINGS
- (11) ADOPTION OF THE PROCEDURAL RULES
FOR THE BOARD MEETINGS
- (12) ADOPTION OF THE PROCEDURAL RULES
FOR THE SUPERVISORY COMMITTEE MEETINGS
AND
- (13) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of the Company to be held at The North Star Conference Room, 8F, Dinghao Tower Block A, No. 3 Haidian Street, Haidian District, Beijing, PRC on Friday, 16 May 2025 at 8:30 a.m. is set out on pages 142 to 145 of this circular.

A form of proxy for use at the AGM is enclosed. If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM (i.e. before 8:30 a.m. on Thursday, 15 May 2025) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

* For identification purpose only

24 April 2025

CONTENT

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. INTRODUCTION	4
2. BUSINESS TO BE CONSIDERED AT THE AGM	4
3. ANNUAL GENERAL MEETING	4
4. RECOMMENDATION	5
5. RESPONSIBILITY STATEMENT	5
APPENDIX I — BUSINESS TO BE CONSIDERED AT THE AGM	6
APPENDIX II — EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE	13
APPENDIX III — DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	17
APPENDIX IV — PROCEDURAL RULES FOR THE SHAREHOLDERS’ MEETINGS	104
APPENDIX V — PROCEDURAL RULES FOR THE BOARD MEETINGS	121
APPENDIX VI — PROCEDURAL RULES FOR THE SUPERVISORY COMMITTEE MEETINGS	133
NOTICE OF ANNUAL GENERAL MEETING	142

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at The North Star Conference Room, 8F, Dinghao Tower Block A, No. 3 Haidian Street, Haidian District, Beijing, PRC on Friday, 16 May 2025 at 8:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 142 to 145 of this circular, or any adjournment thereof (as the case may be)
“Articles of Association”	the articles of association of the Company, as amended and supplemented from time to time
“Board”	the board of Directors of the Company
“Company”	AInnovation Technology Group Co., Ltd, a limited liability company established under the laws of the PRC on 6 February 2018 and converted into a joint stock company with limited liability on 19 May 2021, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2121)
“Company Law”	the Company Law of the People’s Republic of China, as amended and supplemented from time to time
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	11 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended and supplemented from time to time

DEFINITIONS

“PRC”	The People’s Republic of China, but for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Procedural Rules for the Board Meetings”	the Procedural Rules for the Board Meetings of the Company, as amended and supplemented from time to time
“Procedural Rules for the Shareholders’ Meetings”	the Procedural Rules for the Shareholders’ Meetings of the Company, as amended and supplemented from time to time
“Procedural Rules for the Supervisory Committee Meetings”	the Procedural Rules for the Supervisory Committee Meetings of the Company, as amended and supplemented from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Shares
“Shares”	H Shares
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	supervisory committee of the Company
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs, as amended and supplemented from time to time
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



AINNOVATION TECHNOLOGY GROUP CO., LTD*

創新奇智科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2121)

Executive Director:

Xu Hui (*Chief Executive Officer*)

Non-executive Directors:

Kai-Fu Lee (*Chairman*)

Wang Hua

Wang Jinqiao

Independent Non-executive Directors:

Xie Deren

Ko Wing Yan Samantha

Jin Keyu

Registered office and headquarter:

Room 501

Block A, Haier International Plaza

No. 939 Zhenwu Road

Economic Development Zone

Jimo District, Qingdao

Shandong, PRC

Principal place of business

in Hong Kong:

Room 1928, 19/F, Lee Garden One

33 Hysan Avenue, Causeway Bay

Hong Kong

24 April 2025

To the Shareholders

Dear Sir or Madam,

- (1) ANNUAL REPORT FOR THE YEAR 2024**
- (2) REPORT OF THE BOARD FOR THE YEAR 2024**
- (3) REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024**
- (4) RE-APPOINTMENT OF AUDITOR FOR THE YEAR 2025**
- (5) CANCELLATION OF SHARES REPURCHASED**
- (6) REDUCTION IN THE COMPANY'S REGISTERED CAPITAL**
- (7) PROPOSED GRANTING OF GENERAL MANDATE
TO THE BOARD TO REPURCHASE SHARES**
- (8) PROPOSED GRANTING OF GENERAL MANDATE
TO THE BOARD TO ISSUE SHARES**
- (9) AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (10) ADOPTION OF THE PROCEDURAL RULES
FOR THE SHAREHOLDERS' MEETINGS**
- (11) ADOPTION OF THE PROCEDURAL RULES
FOR THE BOARD MEETINGS**
- (12) ADOPTION OF THE PROCEDURAL RULES
FOR THE SUPERVISORY COMMITTEE MEETINGS
AND**
- (13) NOTICE OF ANNUAL GENERAL MEETING**

* For identification purpose only

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is, among other things, to provide you with the notice of the AGM and information on certain resolutions to be considered at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions at the AGM.

2. BUSINESS TO BE CONSIDERED AT THE AGM

The ordinary resolutions and special resolutions (special resolutions are marked with#) to be proposed at the AGM for the Shareholders to consider and approve include:

- (1) the annual report for the year 2024;
- (2) the report of the Board for the year 2024;
- (3) the report of the Supervisory Committee for the year 2024;
- (4) the re-appointment of auditor for the year 2025;
- (5) #the cancellation of Shares repurchased;
- (6) #the reduction in the Company's registered capital;
- (7) #proposed granting of general mandate to the Board to repurchase Shares;
- (8) #proposed granting of general mandate to the Board to issue Shares;
- (9) #amendments to the Articles of Association;
- (10) adoption of the Procedural Rules for the Shareholders' Meetings;
- (11) adoption of the Procedural Rules for the Board Meetings; and
- (12) adoption of the Procedural Rules for the Supervisory Committee Meetings.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make well-informed decisions, the Company has provided detailed information in this circular, including business to be considered at the AGM (see Appendix I), explanatory statement on the Share repurchase mandate (see Appendix II), details of the proposed amendments to the Articles of Association (see Appendix III), Procedural Rules for the Shareholders' Meetings (see Appendix IV), Procedural Rules for the Board Meetings (see Appendix V) and Procedural Rules for the Supervisory Committee Meetings (see Appendix VI).

3. ANNUAL GENERAL MEETING

A notice convening the AGM of the Company to be held at The North Star Conference Room, 8F, Dinghao Tower Block A, No. 3 Haidian Street, Haidian District, Beijing, PRC at 8:30 a.m. on Friday, 16 May 2025 is set out on pages 142 to 145 of this circular.

LETTER FROM THE BOARD

In order to determine the list of Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Tuesday, 13 May 2025 to Friday, 16 May 2025, both days inclusive, during which period no transfer of Shares will be effected. Unregistered holders of Shares of the Company who wish to attend the AGM must lodge the share certificates accompanied by transfer documents with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 12 May 2025. Shareholders whose names appear on the register of members of the Company on Friday, 16 May 2025 are entitled to attend and vote at the AGM.

A form of proxy for use at the AGM is enclosed with this circular and is also published on the websites of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ainnovation.com/>). Shareholders who intend to appoint a proxy to attend the AGM shall complete the proxy form and return it to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time for holding the AGM (i.e. before 8:30 a.m. on Thursday, 15 May 2025). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they so wish. Voting at the AGM will be taken by poll.

4. RECOMMENDATION

The Board considers that all the resolutions set out in the notice of the AGM for consideration and approval by the Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,

By order of the Board

AINNOVATION TECHNOLOGY GROUP CO., LTD

創新奇智科技集團股份有限公司

Xu Hui

Executive Director and Chief Executive Officer

1. ANNUAL REPORT FOR THE YEAR 2024

For details of the annual report for the year 2024 of the Company, please refer to the 2024 annual report of the Company published by the Company on the websites of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ainnovation.com/>) on 24 April 2025.

The financial statements of the Company for the year 2024, prepared in accordance with the International Financial Reporting Standards and audited by PricewaterhouseCoopers, are included in the 2024 annual report of the Company published by the Company on the websites of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ainnovation.com/>) on 24 April 2025.

This resolution has been considered and approved at the Board meeting held on 31 March 2025 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

2. REPORT OF THE BOARD FOR THE YEAR 2024

For details of the report of the Board for the year 2024 of the Company, please refer to the report of the Board in the 2024 annual report of the Company published by the Company on the websites of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ainnovation.com/>) on 24 April 2025.

This resolution has been considered and approved at the Board meeting held on 31 March 2025 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

3. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024

For details of the report of the Supervisory Committee for the year 2024 of the Company, please refer to the report of the Supervisory Committee in the 2024 annual report of the Company published by the Company on the websites of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ainnovation.com/>) on 24 April 2025.

This resolution has been considered and approved at the meeting of the Supervisory Committee held on 31 March 2025 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

4. RE-APPOINTMENT OF AUDITOR FOR THE YEAR 2025

The Board proposed to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year of 2025 to hold office from the date of approval at the AGM until the conclusion of the next annual general meeting and the auditor's remuneration would be RMB5 million (excluding travel, transportation, accommodation and other miscellaneous expenses).

This resolution has been considered and approved at the Board meeting held on 31 March 2025 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

5. CANCELLATION OF SHARES REPURCHASED

Reference is made to the announcement of the Company dated 31 March 2025, in relation to, among others, the proposal for the cancellation of Shares repurchased by the Company. The resolution approved by the 2023 annual general meeting of the Company on granting the general mandate to the Board to repurchase Shares authorizes the Board to repurchase the corresponding Shares in accordance with the provisions of such resolution (“**Repurchase Mandate**”). The Company intends to cancel 1,506,300 Shares repurchased under the Repurchase Mandate but not cancelled and seeks authorization from the AGM to delegate the Board, which in turn may further authorize the Company’s management or other designated persons to handle the specific matters related to the Share cancellation (including but not limited to signing documents).

This resolution has been considered and approved at the Board meeting held on 31 March 2025, and is hereby proposed to the AGM as a special resolution for consideration and approval.

6. REDUCTION IN THE COMPANY’S REGISTERED CAPITAL

Reference is made to the announcement of the Company dated 31 March 2025, in relation to, among others, the proposal for the reduction of the Company’s registered capital. Given that the Company intends to cancel its 1,506,300 Shares repurchased but not cancelled, and in accordance with the Company Law and other relevant laws, regulations, as well as the Articles of Association, the Company proposes to reduce its registered capital by RMB1,506,300 accordingly and adjust the total share capital and registered capital in the Articles of Association. Following the capital reduction, the Company’s registered capital will be RMB563,544,438, and the total number of Shares will be 563,544,438.

The Shareholders are requested to pre-confirm the debt of the Company, including the total debt disclosed in the 2024 annual report of the Company and any additional debts incurred before the industrial and commercial registration of the capital reduction (such additional debts shall be subject to the required approvals in accordance with the relevant laws, regulations and the Articles of Association, if necessary). The Shareholders further agree that, for the purpose of this capital reduction, the Company may take necessary measures such as early repayment of relevant debts, reaching settlement agreements with relevant creditors, or providing additional debt guarantees (subject to the required approvals in accordance with the relevant laws, regulations and the Articles of Association, if necessary) from the date of approval at the AGM until the completion of the industrial and commercial registration of the capital reduction.

Additionally, a resolution will be proposed at the AGM to authorize the Board, which in turn may further authorize the management of the Company or other persons, to handle regulatory applications, announcements, filings, registrations, disclosures, and other related matters following the approval of the capital reduction at the AGM, and to sign the necessary documents and agreements (if necessary).

This resolution has been considered and approved at the Board meeting held on 31 March 2025, and is hereby proposed to the AGM as a special resolution for consideration and approval.

7. PROPOSED GRANTING OF GENERAL MANDATE TO THE BOARD TO REPURCHASE SHARES

Taking into account market conditions, fluctuations and changes in the Company's share price and other factors, the Company proposed to grant the following general mandate to the Board to repurchase the Company's Shares ("**Share Repurchase Mandate**") at the Annual General Meeting:

- (1) approve a general mandate to the Board to, by reference to market conditions and in accordance with needs of the Company, repurchase the Shares of the Company that do not exceed 10% of the issued Shares of the Company (excluding treasury shares) at the time of passing the resolution at the Annual General Meeting, so as to safeguard the value of the Company and Shareholders' rights and interests. The H Shares repurchased under this general mandate may be cancelled according to the Listing Rules and the Company Law, and the registered capital of the Company shall be reduced accordingly or held as treasury shares, and such treasury shares may be disposed of in compliance with laws and regulations.
- (2) the Board be authorised to (including but not limited to the following):
 - a) formulate and implement the repurchase plan, including but not limited to determining the time of repurchase, period of repurchase, repurchase price and number of Shares to be repurchased;
 - b) notify creditors and issue announcements;
 - c) open overseas share accounts and carry out related change of foreign exchange registration procedures;
 - d) carry out relevant approval/filing procedures (if any) pursuant to the other laws, regulations and regulatory requirements;
 - e) on the basis of compliance with the Company Law and other laws and regulations and the Articles of Association and other internal management systems, the Board may, at its own discretion, decide on the use of the repurchased Shares and, depending on the actual use of the repurchased Shares, handle the transfer or cancellation (if necessary) of the repurchased Shares, revise the relevant contents of the Articles of Association, such as the total share capital and shareholding structure, and go through the change registration procedures and other documents and matters related to the repurchase of Shares (if any); and
 - f) the Board authorizes the general manager (Chief Executive Officer) of the Company or its delegates to specifically handle the above matters.

- (3) The above Share Repurchase Mandate will expire on the earliest of the following dates (the “**Repurchase Period**”):

- a) at the end of the 2025 annual general meeting of the Company; or
- b) the date on which the special resolution passed at the general meeting of Shareholders withdraws or amends the mandate mentioned in this resolution.

Unless the Board decides to repurchase Shares during the Repurchase Period, and such repurchase plan may need to be continued or implemented after the end of the Repurchase Period.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

This resolution has been considered and approved at the Board meeting held on 31 March 2025 and is hereby proposed to the AGM as a special resolution for consideration and approval.

8. PROPOSED GRANTING OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES

In order to meet the capital requirements of the Company for its continuous business development, to utilise financing platforms effectively and flexibly and to take advantage of capital market windows in a timely manner, and in accordance with the applicable laws and regulations of the PRC, the Listing Rules and the Articles of Association, the Company proposed to grant the following general mandate to the Board to issue the Company’s Shares (“**Share Issue Mandate**”) at the Annual General Meeting:

- (1) approve a general mandate to the Board to, by reference to market conditions and in accordance with needs of the Company, approve, issue, allot, grant and/or deal with a amount of no more than 20% of the issued Shares of the Company (excluding treasury shares), warrants, convertible bonds, or options, warrants or similar rights (including a sale or transfer of treasury shares) to subscribe for any Shares or above convertible bonds as at the date of passing this resolution at the Annual General Meeting, solely or jointly within the Issue Period (as defined hereunder).

Notwithstanding the foresaid authorisation, the Board shall obtain consent of the Shareholders in general meeting by a special resolution prior to allotting any voting Shares if such allotment would effectively alter the control of the Company.

- (2) and authorize the Board, including but not limited to the following:
- a) to formulate and implement the detailed issue proposal which includes, without limitation, the number of Shares to be issued, pricing base and/or the issue price (including the price range), the starting and closing dates of such issue, the specific use of the proceeds raised, and other content to be included in the detailed issue proposal as required by the relevant laws and regulations and other normative documents, the relevant regulatory authorities and the stock exchange;
 - b) to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue (including but not limited to enter into underwriting agreement or any other agreements);
 - c) to meet the specific filing, approval, registration procedures relating to offering and listing as required by relevant laws and regulations, CSRC, the Hong Kong Stock Exchange and other regulatory authorities, including but not limited to filing of offering and listing, registration with relevant authorities of the increase in registered share capital as a result of the issue of Shares and relevant foreign exchange registration, if necessary, as well as execute all such documents;
 - d) to make amendments to the terms of issue Shares and registered capital as stated in the Articles of Association as it deems appropriate and necessary, and file the amended Articles of Association; and
 - e) the Board authorizes the general manager (Chief Executive Officer) of the Company or its delegates to specifically handle the above matters.
- (3) The above Share Issue Mandate will expire on the earliest of the following dates (the “**Issue Period**”):
- a) at the end of the 2025 annual general meeting of the Company; or
 - b) the date on which the special resolution passed at the general meeting of Shareholders withdraws or amends the mandate mentioned in this proposal.

Unless the Board decides to issue Shares during the Issue Period, and such issue plan may need to be continued or implemented after the end of the Issue Period.

This resolution has been considered and approved at the Board meeting held on 31 March 2025 and is hereby proposed to the AGM as a special resolution for consideration and approval.

9. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 31 March 2025, in relation to, among other things, the proposed amendments to the Articles of Association.

In view of the updates to the relevant laws and regulations in the PRC, the Company proposes to amend the Articles of Association to reflect the reduction in the Company's registered capital and the updates including but not limited to the following rules:

- (1) The amended Company Law issued by the Standing Committee of the National People's Congress on 29 December 2023 and effective on 1 July 2024;
- (2) The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC on 17 February 2023 and effective on 31 March 2023 and its accompanying guidelines (the “**Trial Measures**”). Pursuant to the provisions of the Trial Measures, the Notice on Implementation of the Mandatory Provisions for the Articles of Association of Companies Listed Overseas (《關於執行<到境外上市公司章程必備條款>的通知》) was repealed as of the date of implementation of the Trial Measures. In the event of a direct overseas listing of a domestic enterprise, it shall comply with the provisions of Article 6 of the Trial Measures and formulate the articles of association with reference to the relevant provisions of the CSRC on corporate governance, such as the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》), in order to regulate corporate governance; and
- (3) The Hong Kong Stock Exchange has accordingly made certain amendments to the Listing Rules.

Details of the proposed amendments to the Articles of Association are set out in Appendix III to this circular. The amendments to the Articles of Association will become effective and be implemented from the date of consideration and approval by the AGM. The Articles of Association will be compiled in Chinese. In the event of any discrepancies between the Chinese version and its English translation, the Chinese version shall prevail.

This resolution has been considered and approved at the Board meeting held on 31 March 2025 and is hereby proposed to the AGM as a special resolution for consideration and approval by Shareholders. At the same time, the Company proposes to the AGM to authorise the management or other persons who may be further authorized by the management in full to deal with filing procedures of industry and commerce for matters including amendments to the Articles of Association as stated above and sign necessary documents and agreements (if needed).

10. ADOPTION OF THE PROCEDURAL RULES FOR THE SHAREHOLDERS' MEETINGS, THE PROCEDURAL RULES FOR THE BOARD MEETINGS AND THE PROCEDURAL RULES FOR THE SUPERVISORY COMMITTEE MEETINGS

In view of the updates to the relevant laws and regulations in the PRC, the Company proposes to amend the Articles of Association. In this regard, the Company formulated new versions of the Procedural Rules for the Shareholders' Meetings, the Procedural Rules for the Board Meetings and the Procedural Rules for the Supervisory Committee Meetings to reflect the amendments to the Articles of Association and the updates to the relevant laws and regulations.

The Procedural Rules for the Shareholders' Meetings, the Procedural Rules for the Board Meetings and the Procedural Rules for the Supervisory Committee Meetings proposed to be adopted are set out in Appendix IV, Appendix V and Appendix VI in this circular, respectively. The Procedural Rules for the Shareholders' Meetings, the Procedural Rules for the Board Meetings and the Procedural Rules for the Supervisory Committee Meetings proposed to be adopted will become effective and be implemented after approval at the AGM, and they will replace the Procedural Rules for the Shareholders' Meetings, the Procedural Rules for the Board Meetings and the Procedural Rules for the Supervisory Committee Meetings formulated by the Company before listing. The Procedural Rules for the Shareholders' Meetings, the Procedural Rules for the Board Meetings and the Procedural Rules for the Supervisory Committee Meetings proposed to be adopted are compiled in Chinese. In the event of any discrepancies between the Chinese version and its English translation, the Chinese version shall prevail.

The resolution proposing the adoption of the Procedural Rules for the Shareholders' Meetings and the Procedural Rules for the Board Meetings has been considered and approved at the Board meeting held on 31 March 2025, and the resolution proposing the adoption of the Supervisory Committee Meetings has been considered and approved by the Supervisory Committee meeting held on 31 March 2025. Both resolutions are hereby proposed to the AGM as ordinary resolutions for consideration and approval by Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information for them to make an informed decision on whether to vote for or against the special resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 564,104,738 Shares (excluding 946,000 treasury shares), all of them are H Shares. Subject to the passing of the special resolution set out in item 1 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate to the Board and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 564,104,738 Shares (excluding 946,000 treasury shares), the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a maximum of 56,410,473 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders. Share repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its Articles of Association, the laws of the PRC and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

The Company may cancel any Shares it repurchased and/or hold them as treasury shares subject to, for example, market conditions and its capital management needs at the relevant time of the repurchases (the Company may use general mandate to resell such treasury shares). All Shares held as treasury shares retain their listing status.

There might be a adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2024) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Hong Kong Stock Exchange during the period from each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest (HK\$)	Lowest (HK\$)
April 2024	7.34	3.99
May 2024	6.03	4.80
June 2024	6.15	4.18
July 2024	5.52	4.20
August 2024	4.44	3.17
September 2024	4.85	3.22
October 2024	6.30	4.08
November 2024	7.33	4.56
December 2024	8.48	5.60
January 2025	6.27	4.66
February 2025	7.20	4.94
March 2025	5.79	3.85
April 2025 (up to the Latest Practicable Date)	4.01	3.15

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the PRC. The Company has also confirmed that there is nothing unusual in the explanatory statement and the proposed share repurchase.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Sinovation Ventures (Beijing) Enterprise Management Limited ("**Sinovation Ventures**"), Nanjing Nuosai Yucheng Management Consulting Co., Ltd. ("**Nuosai Yucheng**"), Mr. Wang Hua and Ms. Tao Ning directly held 135,000,000, 8,640,000, 8,640,000 and 2,160,000 Shares in the Company, respectively. Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua and Ms. Tao Ning have been acting in concert and will continue to act in concert in the Company's general meetings and Board meetings pursuant to a concert party agreement among themselves. As a result, each of Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying is deemed to be interested in the Shares held by other members of the single largest group of Shareholders (i.e. 154,440,000 Shares, representing approximately 27.38% of the issued Shares of the Company (excluding treasury shares)). In the event that the Directors exercise in full the power to repurchase Shares pursuant to the proposed Share Repurchase Mandate, the aggregate shareholding of Sinovation Ventures, Nuosai Yucheng, Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying would be increased to approximately 30.42% of the issued Shares of the Company (excluding treasury shares).

The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Hong Kong Stock Exchange.

Save as disclosed above, the Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company has repurchased its Shares on the Hong Kong Stock Exchange as follows:

Repurchase date	Repurchased number of shares	Highest price per share paid (HK\$)	Lowest price per share paid (HK\$)
20 November 2024	150,000	5.10	5.05
22 November 2024	406,300	5.05	4.75
29 November 2024	350,000	5.84	5.76
24 January 2025	216,000	5.58	5.52
8 April 2025	450,000	3.43	3.28
11 April 2025	280,000	3.73	3.65

1. Amend and replace the cover page and content page of the Articles of Association as follows:

AINNOVATION TECHNOLOGY GROUP CO., LTD
創新奇智科技集團股份有限公司

Articles of Association

(The Articles of Association was passed pursuant to the fourth general meeting of 2021 held on 9 June 2021

Amended by a special resolution passed at the annual general meeting held on 10 May 2022

Amended by a special resolution passed at the annual general meeting held on 12 May 2023

Amended by a special resolution passed at the annual general meeting held on 10 May 2024

Amended by a special resolution passed at the extraordinary general meeting held on 30 May 2024

Amended by a special resolution passed at the annual shareholders' meeting held on 16 May 2025)

CONTENTS

CHAPTER I	GENERAL RULES	[●]
CHAPTER II	BUSINESS OBJECTIVES AND SCOPE.....	[●]
CHAPTER III	SHARES AND REGISTERED CAPITAL.....	[●]
CHAPTER IV	DECREASE OF SHARE CAPITAL AND REPURCHASE OF SHARES.....	[●]
CHAPTER V	SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS	[●]
CHAPTER VI	RIGHTS AND OBLIGATIONS OF SHAREHOLDERS	[●]
CHAPTER VII	GENERAL MEETING	[●]
CHAPTER VIII	THE BOARD.....	[●]
CHAPTER IX	SECRETARY TO THE BOARD.....	[●]
CHAPTER X	THE GENERAL MANAGER	[●]
CHAPTER XI	SUPERVISORY COMMITTEE.....	[●]
CHAPTER XII	QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS.....	[●]
CHAPTER XIII	FINANCIAL AND ACCOUNTING POLICY AND PROFIT DISTRIBUTION	[●]
CHAPTER XIV	APPOINTMENT OF ACCOUNTING FIRM	[●]
CHAPTER XV	MERGER AND DIVISION OF THE COMPANY	[●]
CHAPTER XVI	DISSOLUTION AND LIQUIDATION OF THE COMPANY	[●]
CHAPTER XVII	PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION.....	[●]
CHAPTER XVIII	NOTICES AND ANNOUNCEMENTS	[●]
CHAPTER XIX	BY-LAWS.....	[●]

2. Details of proposed amendments to the clauses of the Articles of Association are as follows:

CHAPTER I GENERAL RULES

Article 1 In order to safeguard the legal rights interests of AInnovation Technology Group Co., Ltd (hereinafter referred to as the “Company”), its shareholders, employees and creditors, and to regulate the organization and conduct of the Company, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China”, ~~“Special Provisions of the State Council on the Overseas Offering and Listing of Shares in Joint Stock Companies”~~ (hereinafter referred to as “Special Provisions”), ~~“Required Provisions in the Articles of Association of Companies Listed Overseas”, “Letter of Opinions on Supplemental Amendments to the Articles of Association of Companies Listed in Hong Kong” (Zheng Jian Hai Han [1995] No. 1), the “Reply of the State Council on the Adjustment of the Rules Governing the Application of the Notice Period for Holding General Meetings of Companies Listed Overseas” (Guo Han [2019] No. 97), 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 Guidelines for Articles of Association of Listed Companies, the Articles of Association has been formulated.

The Company is a joint stock limited company established in accordance with the Company Law; ~~the Special Provisions~~ and other laws, regulations and regulatory documents.

The Company is a joint stock limited company which is wholly changed by Qingdao AInnovation Technology Group Co., Ltd (青島創新奇智科技集團有限公司) based on the conversion to shares from net original book value of assets, being established on May 19, 2021 by way of promotion and registered with Qingdao Municipal Bureau of Administrative Services on May 19, 2021. We have obtained a business license with the unified social credit code of 91440300MA5F0CAJ1C.

The promoters of the Company are: Sinovation Ventures (Beijing) Enterprise Management Limited (創新工場 (北京) 企業管理股份有限公司), Xu Hui (徐輝), Qingdao Xinnuo Zhiqi Enterprise Management Consultation Partnership (Limited Partnership) (青島新諾智奇企業管理諮詢合夥企業 (有限合夥)), Qingdao Chuangzhi Equity Investment Fund (Limited Partnership) (青島甲子創智股權投資基金 (有限合夥)), Qingdao Xinhui Zhiqi Entrepreneurship Service Center (Limited Partnership) (青島新輝智奇創業服務中心 (有限合夥)), Ningbo Meishan Free Trade Port Hongxi Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區泓熙股權投資合夥企業 (有限合夥)), Shenzhen Huasheng Lingxiu Equity Investment Partnership (Limited Partnership) (深圳華晟領秀股權投資合夥企業 (有限合夥)), Beijing Sinovation Ventures Center (Limited Partnership) (北京創新工場創業投資中心 (有限合夥)), Chengwei Evergreen Equity Investment Partnership (Limited Partnership) (南通成為常青股權投資合夥企業 (有限合夥)), Ningbo Meishan Free Trade Port Hongyue Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區泓越股權投資合夥企業 (有限合夥)), Ningbo Meishan Free Trade Port Honger Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區泓爾股權投資合夥企業 (有限合夥)), Qingdao Xinqi Entrepreneurship Service Center (Limited Partnership) (青島新奇創業服務中心 (有限合夥)), Qingdao Xinyun Entrepreneurship Service Center (Limited Partnership) (青島新雲創業服務中心 (有限合夥)), Beijing Sinovation Ventures Yucheng Management Consultation Co., Ltd. (北京創新工場育成管理諮詢有限公司), Wang Hua (汪華), Qingdao Innovation Zhicheng Technology Center (Limited Partnership) (青島創新智成科技中心 (有限合夥)), Hainan Lanyue Enterprise Management (Limited Partnership) (海南攬岳企業管理中心 (有限合夥)), Shanghai Guohe Phase II Modern Service Industry Equity Investment Fund Partnership (上海國和二期現代服務業股權投資基金合夥企業 (有限合夥)), Qingdao Yunhai Zhicheng Investment Management Center (Limited Partnership) (青島雲海至誠投資管理中心 (有限合夥)), Xiamen Ronghui Yingjia Equity Investment Partnership (Limited Partnership) (廈門融匯盈嘉股權投資合夥企業 (有限合夥)), Tianjin Huaxing Zhihong Equity Investment Partnership (Limited Partnership) (天津華興志鴻股權投資合夥企業 (有限合夥)), Qingdao Xinda Entrepreneurship Service Center (Limited Partnership) (青島新達創業服務中心 (有限合夥)), Qingdao SAIF Haohai Venture Capital Center (Limited Partnership) (青島賽富皓海創業投資中心 (有限合夥)), Jiaxing Yilang Kunrui Investment Management Partnership (Limited Partnership) (嘉興宜朗坤瑞投資管理合夥企業 (有限合夥)), Tao Ning (陶寧), Huangshan SAIF Tourism Culture Industry Development Fund (Limited Partnership) (黃山賽富旅遊文化產業發展基金 (有限合夥)), Wufang Tianya Group Co., Ltd. (五方天雅集團有限公司), Yinfeng Finance (Beijing) Investment Management Co., Ltd. (銀豐融金 (北京) 投資管理有限公司), Shenzhen Qianhai Puzheng Investment Management Co., Ltd. (深圳前海普正投資管理有限公司).

Article 2 The Company's registered name:

Chinese full name: 創新奇智科技集團股份有限公司

English full name: AInnovation Technology Group Co., Ltd

Article 3 Place of domicile of the Company: Room 501, Block A, Haier International Plaza, No. 939 Zhenwu Road, Economic Development Zone, Jimo District, Qingdao City, Shandong Province; Postal code: 266200.

Article 4 The legal representative of the Company is the general manager of the Company. Where the general manager who serves as the legal representative resigns, he/she shall be deemed to have resigned from the position of the legal representative at the same time. Where the legal representative resigns, the Company shall appoint a new legal representative within 30 days after the date of his/her resignation.

Article 5 The Company is a joint stock company with limited liability in perpetual existence and an independent legal entity. The Company is governed and protected by the laws, administrative regulations and other relevant requirements of the PRC.

Article 6 All the properties of the Company are divided into shares of equal value. The liability of a shareholder towards the Company is limited to the shares he/she subscribed, while the liability of the Company to its indebtedness is limited to the amount of all the properties owned by it.

Article 7 ~~Upon the passing of a special resolution at a general meeting and the obtaining of approval from relevant authorities of the state, the~~ The Articles of Association took effect from the date on which ~~the overseas listed foreign shares issued by the Company were listed and traded on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange")~~ it is passed by a special resolution at a shareholders' meeting.

From the effective date of the Articles of Association, the Articles of Association shall become a legally binding document regulating the organization and activities of the Company, and the rights and duties between the Company and its shareholders, and among the shareholders themselves.

Article 8 The Articles of Association shall be legally binding upon the Company and shareholders of the Company, directors, supervisors, general manager, and other senior management members, all of whom may assert rights in respect of the Company's affairs in accordance with the Articles of Association.

A shareholder may take legal actions against the Company pursuant to the Articles of Association, ~~and vice versa~~. A shareholder may also take actions against another shareholder, the directors, supervisors, manager and other senior management members of the Company pursuant to the Articles of Association. The Company may also take actions against a shareholder, the directors, supervisors, manager and other senior management members pursuant to the Articles of Association.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Article 9 The senior management members referred to in the Articles of Association include the Company's general manager, deputy general manager, head of the finance team, secretary to the Board and other management expressly appointed as senior management by the Board.

Article 10 The Company may invest in other enterprises, and the Company's liability towards such enterprises shall be limited to its investment amount. ~~Unless otherwise stated by law, the Company shall not become a capital contributor which shall bear several and joint liabilities for the debts of the enterprises which it invests in.~~ Where any laws stipulate that a company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies, such requirements shall prevail.

CHAPTER II BUSINESS OBJECTIVES AND SCOPE

Article 11 The business objective of the Company is: to empower businesses with AI technology.

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

As legally registered, the scope of business of the Company: general items: software sales; software development; artificial intelligence application software development; network and information security software development; basic software development of artificial intelligence; sales of information security equipments; retail of computer software and hardware and auxiliary equipments; information technology consultation services; information system operation and maintenance services; technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; sales of electronic products; lease of computer and communication equipments; computer system services; data processing services; medical research and experimental development; conducting investment activities with own funds; conference and exhibition services; organization of cultural and artistic exchange activities; consulting and planning services; project planning and public relations services; business management; trade brokerage; sales agency; advertisement production; advertisement publishing (non-broadcast stations, television stations, newspaper publishing units); advertisement design, agency; educational consultation services (excluding educational training activities involving license approval); business agency and commission services; property management. (In addition to the items subject to approval in accordance with the laws, we carry out business activities by virtue of business license independently in accordance with the laws). Permitted items: import and export of technology; import and export of goods; import and export agency; food operation (sales of pre-packaged food); liquor operation. (The projects subject to approval in accordance with the laws shall be approved by the relevant departments before conducting operating activities, and specific operation projects shall be subject to the approval documents or licenses of relevant departments).

The Company may adjust its scope of business according to the changes in domestic and international markets, business development, and its own capabilities, upon the approval by the ~~general~~shareholders' meeting and relevant government authorities (if necessary) and go through relevant procedures of industrial and commercial changes according to regulations.

CHAPTER III SHARES AND REGISTERED CAPITAL

~~Article 13~~ The Company shall have ordinary shares at all times. The Company may set other types of shares subject to needs, upon approval by the departments that are authorized by the State Council of the PRC.

Article 1413 The shares of the Company are represented in the form of share certificates. All shares issued by the Company are shares with par value, denominated in RMB, which shall have a par value of RMB1 per share. RMB mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.

Article 1514 The Company shall issue shares in an open, fair, and just principle, and each share of the same class shall have equal rights.

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

~~Domestic shares and overseas listed foreign shares issued by the Company shall have the same rights in any distribution of dividends or other forms of distributions.~~

Article 1615 Upon approval by the securities regulatory authority of the State Council, the Company may issue its shares to both domestic and foreign investors in accordance with the law. According to relevant laws and regulations, the issuance requiring filing or registration with the competent authority shall be filed or registered in accordance with the law.

Overseas investors referred to in the preceding paragraph means investors located in foreign countries and the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC, the Taiwan Region of the PRC, who subscribe for shares issued by the Company. Domestic investors mean investors located in the People's Republic of China, excluding the regions mentioned above, who subscribe for shares issued by the Company.

Article 1716 Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Foreign shares listed overseas are referred to as overseas listed foreign shares. ~~With the approval of the securities regulatory authority under the State Council, the domestic shares of the Company can be converted into overseas listed foreign shares.~~

Foreign currency mentioned in the preceding paragraph means the legal currencies of other countries or regions, other than Renminbi, which are recognized by the competent foreign exchange authority of the State for payment of share subscription monies to the Company.

The overseas listed foreign shares issued by the Company and listed in Hong Kong (hereinafter referred to as “H shares”) refer to the shares which have been listed on ~~the Hong Kong Stock Exchange~~ The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) upon approval, the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

The shares issued by the Company but not listed in the stock exchanges in or outside the PRC referred to as non-listed shares.

Upon ~~approval by the filing with~~ the securities regulatory authorities of the State Council and consent of the Hong Kong Stock Exchange, the shareholders of the Company may ~~have convert~~ the non-listed shares held by them listed and traded on the overseas stock exchanges into the overseas listed foreign shares. The above-mentioned shares that are listed and traded on an overseas stock exchange shall also be subject to the regulatory procedures, regulations, and requirements of the overseas stock exchange. As for the conversion and/or transfer of the above-mentioned shares and their listing and trading on overseas stock exchanges, voting at the ~~general meeting or the class shareholders’ meeting~~ is not required. ~~If the non-listed shares are listed and traded abroad upon approval, their share class will be transferred to overseas listed shares on the date of overseas listing and will be the same class of shares as the overseas listed foreign shares listed on the same overseas stock exchange.~~

Both the shareholders of domestic shares and the shareholders of foreign shares are ordinary shareholders and shall have the same rights and obligations.

Article 1817 The total number of ordinary shares that the Company issued on the date of the establishment is 26,551,106 shares, and the par value of the shares is RMB1 per share. Names, shareholdings, percentage, method and time of capital contribution of the promoters are as follows:

No.	Name of Promoter	Shareholding (‘0,000 shares)	Shareholding percentage	Method of capital contribution	Time of capital contribution
1	Sinovation Ventures (Beijing) Enterprise Management Limited	750.0000	28.25%	currency	by March 30, 2021
2	Xu Hui	264.3405	9.96%	currency	by February 6, 2038
3	Qingdao Xinnuo Zhiqi Enterprise Management Consultation Partnership (Limited Partnership)	212.7313	8.01%	currency	by February 6, 2038
4	Qingdao Chuangzhi Equity Investment Fund (Limited Partnership)	148.0079	5.58%	currency	by March 30, 2021
5	Qingdao Xinhui Zhiqi Entrepreneurship Service Center (Limited Partnership)	145.9725	5.50%	currency	by March 27, 2021
6	Ningbo Meishan Free Trade Port Hongxi Equity Investment Partnership (Limited Partnership)	132.3557	4.99%	currency	by March 30, 2021
7	Shenzhen Huasheng Lingxiu Equity Investment Partnership (Limited Partnership)	116.9200	4.40%	currency	by March 30, 2021
8	Beijing Sinovation Ventures Center (Limited Partnership)	103.8414	3.91%	currency	by March 30, 2021
9	Chengwei Evergreen Equity Investment Partnership (Limited Partnership)	98.8493	3.72%	currency	by March 30, 2021
10	Ningbo Meishan Free Trade Port Hongyue Equity Investment Partnership (Limited Partnership)	98.6218	3.71%	currency	by March 30, 2021
11	Ningbo Meishan Free Trade Port Honger Equity Investment Partnership (Limited Partnership)	98.6184	3.71%	currency	by March 30, 2021
12	Qingdao Xinqi Entrepreneurship Service Center (Limited Partnership)	67.5285	2.54%	currency	by February 6, 2038
13	Qingdao Xinyun Entrepreneurship Service Center (Limited Partnership)	48.1538	1.81%	currency	by February 6, 2038
14	Beijing Sinovation Ventures Yucheng Management Consultation Co., Ltd.	48.0000	1.81%	currency	by March 30, 2021
15	Wang Hua	48.0000	1.81%	currency	by March 30, 2021

APPENDIX III**DETAILS OF THE PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION**

No.	Name of Promoter	Shareholding (‘0,000 shares)	Shareholding percentage	Method of capital contribution	Time of capital contribution
16	Qingdao Innovation Zhicheng Technology Center (Limited Partnership)	36.7884	1.39%	currency	by March 30, 2021
17	Shanghai Lanyue Enterprise Management (Limited Partnership)	36.3714	1.37%	currency	by March 31, 2021
18	Shanghai Guohe Phase II Modern Service Industry Equity Investment Fund Partnership	36.1797	1.36%	currency	by March 30, 2021
19	Qingdao Yunhai Zhicheng Investment Management Center (Limited Partnership)	31.0857	1.17%	currency	by March 30, 2021
20	Xiamen Ronghui Yingjia Equity Investment Partnership (Limited Partnership)	26.3125	0.99%	currency	by March 30, 2021
21	Tianjin Huaxing Zhihong Equity Investment Partnership (Limited Partnership)	16.4453	0.62%	currency	by March 30, 2021
22	Qingdao Xinda Entrepreneurship Service Center (Limited Partnership)	16.0100	0.60%	currency	by February 6, 2038
23	Qingdao SAIF Haohai Venture Capital Center (Limited Partnership)	15.8408	0.60%	currency	by March 30, 2021
24	Jiaxing Yilang Kunrui Investment Management Partnership (Limited Partnership)	15.8408	0.60%	currency	by March 30, 2021
25	Tao Ning	12.0000	0.45%	currency	by March 30, 2021
26	Huangshan SAIF Tourism Culture Industry Development Fund (Limited Partnership)	10.5605	0.40%	currency	by March 30, 2021
27	Wufang Tianya Group Co., Ltd.	9.8672	0.37%	currency	by March 30, 2021
28	Yinfeng Finance (Beijing) Investment Management Co., Ltd.	6.5781	0.25%	currency	by March 30, 2021
29	Shenzhen Qianhai Puzheng Investment Management Co., Ltd.	3.2891	0.12%	currency	by March 30, 2021

Article 1918 ~~The total number of shares of the Company is 563,544,438. The share capital structure of the Company is as follows: there are 565,050,738~~563,544,438 ordinary shares and all of them are overseas listed foreign shares (H shares).

~~**Article 20** Subject to the approval of the securities regulatory authority of the State Council for the Company's plans to issue overseas listed foreign shares and domestic shares, the Board of the Company may make implementation arrangements for separate share issues.~~

~~The Company's plans for separate issues of overseas listed foreign shares and domestic shares mentioned in the preceding paragraph may be implemented within 15 months from the date of approval by the securities regulatory authority of the State Council.~~

~~**Article 21** If the Company separately issues overseas listed foreign shares and domestic shares within the total number specified in the issue scheme, the respective shares shall be subscribed for in full at one time. If these shares cannot be subscribed for in full at one time under special circumstances, they may be issued in several tranches subject to the approval of the securities regulatory authority of the State Council.~~

Article 2219 The registered capital of the Company is RMB~~565,050,738~~563,544,438.

Article 2320 Pursuant to the requirement of the law, regulation, and the listing rules of the place where the Company's shares are listed, the Company may, subject to its business operation and development requirements, increase its capital in accordance with the relevant provisions of the Articles of Association upon resolution by the ~~general~~shareholders' meeting.

The Company may increase its capital by the following means:

- (I) ~~offer of new shares to non-specified investors for subscription~~public offering of shares;
- (II) ~~placement of new shares to existing shareholders~~private offering of shares;
- (III) bonus issue of new shares to existing shareholders;
- (IV) capitalization of capital reserve fund;
- (V) other methods approved by laws, administrative regulations and ~~relevant~~securities regulatory bodies.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval under the Articles of Association, and completion of the relevant procedures as prescribed by the relevant laws, administrative regulations of the state.

Article ~~24~~21 Unless otherwise stipulated in laws, administrative regulations, departmental regulations, normative documents and relevant regulations of the securities regulatory authority of the place where the company's shares are listed, shares of the Company shall be freely transferable and shall not be subject to any lien.

Article ~~25~~22 All H shares, the capital of which have been fully paid up, are freely transferable in accordance with the Articles of Association; but the Board may refuse to acknowledge any transfer of instrument without claiming any reason, unless the following conditions are met:

- (I) The documents of transfer and other documents relating to or affecting any title to the shares shall be registered with the local share registrar entrusted by the Company. If any fee is charged for such registration, such fee shall not exceed the maximum fee prescribed from time to time in the Hong Kong Listing Rules;
- (II) The instrument of transfer relates to H shares only;
- (III) The stamp duty payable on the instrument of transfer has been paid;
- (IV) The share certificate(s) concerned shall be provided together with such evidence as the Board may reasonably require to demonstrate that the transferor is entitled to transfer the shares;
- (V) If the shares are to be transferred to joint holders, the number of jointly registered shareholders shall not exceed four;
- (VI) Relevant shares are free and clear of lien of any company.

Article 2623 ~~Shares of the Company held by promoters shall not be transferred within one year from the date of establishment of the Company.~~ Shares previously issued by the Company prior to the public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on a stock exchange.

During their terms of office, directors, supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than 25% of the total number of shares of the Company which they hold as defined when assume office; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their leaving the Company.

Where any shares are pledged during the period of transfer restriction prescribed by laws or administrative regulations, the pledgee may not exercise the pledge during the period of transfer restriction.

Article 24 The Company or its subsidiaries (including its affiliates) shall not provide any form of financial assistance in the form of gift, advance, guarantee, compensation, loan etc to persons who acquire shares in the Comapny or the parent company for others, unless the Company implements an employee stock ownership plan.

In the interests of the Company, the Company may, by resolution of the shareholders' meeting, or by resolution of the Board in accordance with the Articles of Association or the authorization of the shareholders' meeting, provide financial assistance for others for the acquisition of shares in the Company or the parent company provided that the cumulative total amount of such financial assistance shall not exceed 10% of the total issued share capital. The resolutions of the Board are subject to approval by more than two-thirds of all directors.

**CHAPTER IV DECREASE OF SHARE CAPITAL AND REPURCHASE OF
SHARES**

Article 2725 The Company may reduce its registered capital. Where the Company reduces its registered capital, procedures shall be made in accordance with the Company Law and other relevant requirements and the Articles of Association.

Article 2826 Where the Company reduces its registered capital, it shall prepare a balance sheet and a list of assets.

The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital was made at the shareholders' meeting and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days therefrom. The creditors shall, within 30 days from the date of receiving the ~~written~~ notice, or within 45 days from the date of the public announcement for those who have not received the ~~written~~ notice, be entitled to require the Company to pay off its debts or to provide corresponding security.

The reduced registered capital of the Company shall not be lower than the minimum statutory amount.

~~**Article 29**—The Company may, in the following circumstances, repurchase its outstanding shares following the procedures provided under the laws and this Articles of Association, subject to approval of the competent state authority:—~~

Article 27 The Company may not purchase any of its own shares except under any of the following circumstances:

- (I) ~~cancellation of shares to reduce~~reducing its registered capital;
- (II) merging with other company which holds its shares;
- (III) using shares for employee stock ownership plan or equity incentives;
- (IV) requesting the Company to acquire shares held by shareholders who vote against any resolution proposed in any shareholders' ~~general~~ meeting on the merger or separation of the Company;
- (V) utilizing shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (VI) manner as necessary for maintenance of the Company's value and shareholders' interests;
- (VII) other circumstances as permitted by laws, administrative regulations and listing rules of the place where the Company's shares are listed and approved by regulatory authorities.

Where the Company purchases its shares for the purposes of items (I) and (II) of this provision, it shall obtain approval at the ~~general shareholders'~~ meeting by way of resolution. Where the Company purchases its shares for the purposes of items (III), (V) or (VI) of this provision, it shall obtain approval of more than two-thirds of the directors present at the Board meeting by way of resolution.

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

~~Repurchase by the Company of its shares due to the circumstances specified in item (III), (V) or (VI) of this provision shall be carried out through open and centralized transactions.~~

The Company shall not accept those shares of the Company as the subject of a pledge.

Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the matters relating to the aforesaid share buyback, such provisions shall prevail.

Article 3028 Buyback of shares by the Company may be carried out via centralized public trading or other methods recognized by laws and regulations and the securities regulatory authority.

Where the Company purchases its shares under any of the circumstances specified in items (III), (V) or (VI) of paragraph 1 under Article 27 of the Articles of Association, it shall do so via centralized public trading. The Company may repurchase its shares in one of the following ways with approval from the relevant national competent authorities:

- ~~(I) — making a pro-rata general repurchase offer to all shareholders;~~
- ~~(II) — repurchasing shares through public trading in a stock exchange;~~
- ~~(III) — repurchasing shares based on an off-market agreement;~~
- ~~(IV) by other means as permitted by laws, regulations, normative documents and relevant regulatory authorities.~~

~~**Article 31**—Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval at the shareholders' general meeting according to this Articles of Association. Where prior approval has been obtained from the shareholders in a shareholders' general meeting in the same manner, the Company may terminate or amend an agreement entered into in the aforementioned manner or waive any of its rights.~~

~~The agreement to repurchase shares referred to in the preceding paragraph includes but not limited to agreements assuming obligations of repurchase and acquisition of the right to repurchase shares of the Company.~~

~~The Company shall not assign an agreement for repurchasing its shares or any of its rights thereunder.~~

~~With regard to the redeemable shares which the Company has the right to redeem, if they are not repurchased on the market or by way of tender, the repurchase prices of these shares shall not exceed certain maximum price; if they are repurchased by way of tender, the tenders shall be available and proposed to all shareholders in the same manner.~~

~~**Article 32**—After the shares are repurchased by the Company pursuant to the laws, the Company shall cancel such repurchase of shares within the period prescribed by laws, administrative regulations and the listing rules of the place in which Company's shares are listed, and shall apply to the original company registration authority for registration of the change in the registered capital.~~

~~The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.~~

~~**Article 33**—Unless the Company is under liquidation, it shall comply with the following provisions in respect of the repurchase of its outstanding shares:~~

- ~~(I) where the Company repurchase its shares at nominal value, the amount thereof shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of shares;~~
- ~~(II) where the Company repurchases its shares at a price higher than nominal value, the portion corresponding to the nominal value shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the repurchase of shares. The portion in excess of the nominal value shall be handled as follows:~~

- ~~(1) if the shares repurchased were issued at nominal value, payment shall be deducted from the book balance of the distributable profits of the Company;~~
- ~~(2) if the shares repurchased were issued at a price higher than their nominal value, payment shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the repurchase of shares, provided that the amount deducted from the proceeds of the issue of new shares shall not be more than the aggregate of premiums received by the Company at the time of the issue of the old shares bought back nor shall it be more than the amount of the Company's premium account (or capital common reserve account) at the time of such buy-back (including the premiums on the issue of new shares);~~
- ~~(III) payment by the Company for the following purposes shall be paid out of the Company's distributable profits:~~
- ~~(1) acquisition of rights to repurchase shares of the Company;~~
- ~~(2) modification of any agreement for repurchasing shares of the Company;~~
- ~~(3) release of any of the Company's obligations under any agreement for repurchasing its shares;~~
- ~~(IV) after the aggregate nominal value of the cancelled shares has been deducted from the registered capital of the Company in accordance with the relevant requirements, the amount deducted from the distributable profits for payment for repurchasing shares at their nominal value shall be accounted for in the Company's premium account (or capital common reserve account);~~

~~Where the laws, regulations, rules, normative documents and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed contain any other provisions in respect of the accounting treatment related to the aforementioned share buy-back, such provisions shall prevail.~~

**~~CHAPTER V — FINANCIAL ASSISTANCE FOR PURCHASE
OF THE COMPANY'S SHARES~~**

~~**Article 34** — The Company or any of its Subsidiaries shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers of the Company's shares include persons who directly or indirectly undertaking obligations due to purchase of the Company's shares.~~

~~The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to the aforesaid obligors to reduce or discharge their obligations.~~

~~This provision does not apply to the circumstances mentioned in Article 36 of the Articles of Association.~~

~~**Article 35** — The Financial assistance referred to in this chapter includes (without limitation to) the following:~~

~~(I) — gift;~~

~~(II) — guarantee (including the undertaking of liability or provisions of property by the guarantor in order to guarantee the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising from the Company's fault) and termination or waiver of rights;~~

~~(III) — providing of a loan or signing of a contract under which the obligations of the Company are to be fulfilled prior to the fulfillment of the obligations of the other party to the contract, and a change in the party to such loan or agreement as well as the assignment of rights under such loan or contract;~~

~~(IV) — financial assistance provided in any other form when the Company is insolvent or has no net assets or when a significant reduction in the Company's net assets is to be caused.~~

~~The undertaking of obligations referred to in this chapter shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor individually or jointly with any other person), or by changing its financial position in any other way.~~

~~**Article 36**—Actions listed below shall not be deemed as actions prohibited by Article 34 of this chapter:~~

- ~~(I) the provision of financial assistance by the Company is made in good faith in the interest of the Company, and the principal purpose of providing the financial assistance is not for the acquisition of shares of the Company, or the provision of the financial assistance is ancillary to a master plan of the Company;~~
- ~~(H) the lawful distribution of the Company's assets by way of dividend;~~
- ~~(HH) distribution of dividends in the form of shares;~~
- ~~(IV) reduction of registered capital, repurchase of shares or adjustment of the shareholding structure in accordance with the Articles of Association;~~
- ~~(V) the lending of money by the Company within its scope of business and in the ordinary course of its business, provided that the net assets of the Company shall not be thereby reduced or that, although the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company;~~
- ~~(VI) the provision of money by the Company for contributions to employee stock ownership plan, provided that the net assets of the Company shall not be thereby reduced or that, although the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company.~~

CHAPTER VI SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 37~~29~~ The share certificates of the Company shall be in registered form.

The stock certificates of the Company shall contain the following matters:

- (I) The name of the Company;
- (II) The date of incorporation of the Company;
- (III) The type of stock, the par value and the number of shares represented;
- (IV) The number of the stock certificate;
- (V) Other matters required to be set forth by the laws, regulations such as the Company Law as well as the stock exchange where the Company's shares are listed.

If the share capital of the Company includes non-voting shares, the word “non-voting” shall be added to the name of such shares. If the share capital of the Company includes shares with different voting rights, the words “restricted voting” or “limited voting” shall be added to the name of each class of shares (other than those with the most favorable voting rights).

H shares issued by the Company may take the form of an overseas depositary receipt or other derivative of the shares in accordance with the laws of the place where the shares of the Company are listed, the requirements of the Hong Kong Stock Exchange and the practice of securities registration and depositary.

Article 38—During the listing of the H Shares in Hong Kong, the Company shall ensure that the following statements are included in the H Share documents and shall instruct and procure its share registrar to reject the registration of the subscription, acquisition or transfer of shares in the name of any individual holder unless and until the individual holder submits the appropriately signed form relating to such shares to the share registrar and the form shall include the following statements:

- (I) the share purchaser and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law, Special Provisions and other relevant laws, administrative regulations, the listing rules of the place where the Company’s shares are listed and the Articles of Association.
- (II) the purchaser of the shares agrees with the Company and each of its shareholders, directors, supervisors, general manager and other senior management of the Company, and the Company, acting on behalf of itself and each of the directors, supervisors, general manager and other senior management of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights arising from the Articles of Association, or disputes and claims of rights in relation to the Company’s affairs arising from any rights or obligations under the Company Law or other relevant laws or administrative regulations in accordance with the provisions of the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct an open hearing and to publish its arbitration award. Such arbitration shall be final and conclusive.
- (III) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferred by the holders.
- (IV) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors, general manager and other senior management, pursuant to which the Directors, General Manager and other senior management undertake to observe and perform their duties owed to the shareholders under the Articles of Association.

~~Article 3930~~ The share certificates shall be signed by the chairman of the Board. Where the signatures of other senior management of the Company are required by the stock exchange where the Company's shares are listed, the share certificates shall also be signed by such other senior management. The share certificates shall become valid after the Company seal is affixed thereto or imprinted thereon. The affixing or imprinting of the Company seal to the share certificates shall be authorised by the Board. The signature of the chairman of the Board or such other senior management of the Company on the share certificates may also be in printed form. A share certificate of the Company in paper form shall bear the signature of the legal representative and the Company seal. Where there are separate provisions by the stock exchange where the Company's shares are listed, those provisions shall prevail.

In case of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the securities regulatory authorities in the place where the Company's shares are listed shall apply.

~~Article 40~~ The Company shall establish a register of shareholders, and the register of shareholders shall register therein the following particulars:

- ~~(I) the name (title), address (domicile), occupation or nature of business of each shareholder;~~
- ~~(II) the class and number of shares held by each shareholder;~~
- ~~(III) the amount paid or payable for the shares held by each shareholder;~~
- ~~(IV) the serial number of the share certificate held by each shareholder;~~
- ~~(V) the date on which each shareholder is registered as a shareholder;~~
- ~~(VI) the date on which each shareholder ceases to be a shareholder.~~

Article 31 The Company shall maintain a register of shareholders based on the proof materials provided by the relevant shares registrar and the requirements of applicable laws and regulations. The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company ~~unless there is evidence to the contrary.~~

~~Article 4132~~ The Company may keep overseas the register of shareholders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the securities regulatory authorities of the State Council and the overseas Securities Regulatory Authorities. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong, and the register of shareholders of overseas listed foreign shares be open for inspection by members; but the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

~~The Company shall keep at its domicile a copy of the register of shareholders of overseas listed foreign shares. The entrusted overseas agent shall always ensure that the original and copies of the register of shareholders of overseas listed foreign shares are consistent.~~

~~Where the original and copies of the register of shareholders of overseas listed foreign shares are inconsistent, the original shall prevail.~~

Article 42 ~~The Company shall keep a complete shareholders' register.~~

~~The shareholders' register shall include the following parts:~~

- ~~(I) the register(s) of shareholders kept at the Company's domicile other than those specified in paragraphs (H) and (HH);~~
- ~~(H) the original register(s) of shareholders of overseas listed foreign shares kept in the place(s) of the overseas stock exchange where the shares are listed;~~
- ~~(HH) the register(s) of shareholders kept in other places as the Board may decide and consider necessary for listing purposes.~~

Article 43 ~~The various parts of the register of shareholders shall not overlap with each other. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.~~

~~Alteration or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.~~

Article 44~~33~~ If the laws, administrative regulations, rules of department, normative documents of the PRC and rules of relevant stock exchanges or regulatory authorities in the place where the company's shares are listed provide for the period of suspension of share transfer registration prior to the holding of a ~~general shareholders'~~ meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

The aforesaid period of suspension of share transfer registration shall not exceeding in the whole 30 days in each year, but may be extended for a maximum of 30 days after the approval of the shareholders at a general meeting. The Company shall, on demand, furnish any applicant seeking to inspect the register of shareholders during the period of suspension of share transfer registration with a certificate under the hand of the company secretary of the Company stating by whose authority, and the period for which, it is closed.

Article 4534 When the Company convenes a ~~general~~shareholders' meeting, distributes dividends, commences liquidation, or participates in other activities ~~requiring the identification of shareholdings, the convener of the Board shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading needing to confirm the identity of shareholders, the Board or the convener of the shareholders' meeting shall determine the record date, and shareholders registered in the register after market closing on the record date shall be entitled to the relevant rights.~~

Article 46 ~~Any person who objects to the register of shareholders and requests to have his/her name (or title) to be registered in the register of shareholders or requests that his/her name (or title) be deleted from the register of shareholders may apply to the court having jurisdiction to amend that register of shareholders.~~

Article 47 ~~If any shareholder in the register of shareholders or any person requesting to have his/her name (title) recorded in the register of shareholders loses his/her share certificates (i.e. the "Original Share Certificates"), the said shareholder or person may apply to the Company to issue replacement certificates in respect of the said shares (i.e. the "Relevant Shares").~~

~~If a holder of domestic shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with Article 143 of the Company Law.~~

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

~~The issue of replacement certificates to holders of H shares shall comply with the following requirements:~~

- ~~(I) the applicant shall submit an application to the Company in the standard form prescribed by the Company accompanied by a notarial certified certificate or statutory declaration containing the grounds upon which the application is made by the applicant and the circumstances and evidence of the loss of the share certificate as well as declaring that no other person is entitled to request to be registered as the shareholder of the Relevant Shares.~~
- ~~(II) before the Company decides to issue the replacement share certificate, no statement is made by a person other than the applicant requesting that he/she shall be registered as the shareholder in respect of such Relevant Shares.~~
- ~~(III) the Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board; the announcement shall be made at least once every 30 days for a period of 90 days.~~

~~(IV) prior to the publication of its intention to issue a replacement share certificate, the Company shall have delivered to the stock exchange on which it is listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the stock exchange that the announcement has been displayed at the premises of the stock exchange. The announcement shall be displayed at the premises of the stock exchange for a period of 90 days.~~

~~In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such a registered shareholder a copy of the announcement to be published.~~

~~(V) if upon expiration of the 90-day period of announcement and display referred to in items (III) and (IV) of this Article, the Company has not received from any person any objection to the issuance of replacement share certificate, the Company may issue a replacement share certificate to the applicant according to the application.~~

~~(VI) where the Company issues a replacement share certificate in accordance with this Article, it shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of members accordingly.~~

~~(VII) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant.~~

~~**Article 48** After the Company issues a replacement share certificate in accordance with the provisions of the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as a holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.~~

~~**Article 49** The Company shall not be liable for any damages suffered by any person arising from the cancellation of the Original Share Certificates or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed any fraudulent acts.~~

~~The Company shall have the rights to issue share warrants to bearers. No new share warrant shall be issued to replace the lost share warrant, unless the Company is convinced that the original has been destroyed beyond a reasonable doubt.~~

CHAPTER VII RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 5035 A shareholder is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of shareholders.

A Shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and proportion of shares he/she holds. Shareholders holding the same class of shares shall enjoy equal rights and bear equal obligations.

Article 5136 The ordinary shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other profit distributions in proportion to their shareholdings;
- (II) the right to request, convene, preside, attend or appoint proxies to attend general shareholders' meetings lawfully and to exercise the corresponding voting rights;
- (III) the right to supervise and manage the business operation of the Company, to present proposals or to raise enquiries;
- (IV) the right to transfer the shares in accordance with laws, administrative regulations, the listing rules of the place where the shares are listed and provisions of the Articles of Association;
- (V) the right to ~~obtain relevant information in accordance with the provisions of the Articles of Association, including:~~ consult and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board meetings, resolutions of the Supervisory Committee meetings, as well as financial and accounting reports of the Company;
 - 1. ~~the right to obtain the Articles of Association, subject to payment of reasonable cost;~~
 - 2. ~~subject to payment of a reasonable charge, the right to inspect and make a copy of:~~
 - (1) ~~the register of all the shareholders;~~
 - (2) ~~personal data of each of the Company's directors, supervisors and senior management members:~~
 - a ~~present and former name and alias;~~
 - b ~~principal address (domicile);~~
 - c ~~nationality;~~

~~d — full-time and all other part-time occupations and positions;~~

~~e — identification documents and the numbers thereof.~~

~~(3) reports showing the status of the Company's issued share capital;~~

~~(4) reports (breakdown by domestic and foreign shares) showing the aggregate nominal value, quantity, and the highest and the lowest prices of each class of shares repurchased by the Company since the end of the last financial year and the aggregate amount incurred by the Company for this purpose;~~

~~(5) stubs of corporate bonds, resolutions of the Board meetings, resolutions of the Supervisory Committee and financial reports;~~

~~(6) last annual return that has been filed with the State Administration for Industry and Commerce or other competent authorities of the PRC;~~

~~(7) minutes of shareholders' general meeting (for shareholders' reference only), special resolutions of general meeting of the Company.~~

~~The Company shall, according to the requirements of the Hong Kong Listing Rules, make available the above documents saved for items (2) and (5) at the Company's address in Hong Kong for the public and H-share shareholders to inspect free of charge.~~

~~If the information or the copies consulted involve the company's business secrets, inside information, as well as the personal privacy of relevant personnel, the company may refuse to provide such contents and copies.~~

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

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

~~(VIII) shareholders, who severally or jointly hold more than 31% of the shares of the Company, may submit ad hoc proposals in writing to the Board 10 days before the convening of the general shareholders' meeting. The ad hoc proposals shall contain clear topics and specific resolutions;~~

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

~~The Company shall not exercise any rights to freeze or otherwise prejudice any rights attached to the shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests.~~

Article 37 A shareholder who requests for inspection of the relevant information or materials set out in the preceding Article shall provide written documentation to the Company to prove the type and quantity of the Company's shares held by him/her/it, and the Company shall provide the information or materials requested by the shareholder upon verification of his/her/its identity.

Article 38 Where any resolution of the shareholders' meeting or the Board meeting violate any law or administrative regulation, the shareholders shall have the right to request the people's court to invalidate such resolution.

Where the convening procedure or voting method for the shareholders' meeting or the Board meeting violate any law, administrative regulation or the Articles of Association, or any resolution thereof violates the Articles of Association, the shareholders shall have the right to request the people's court to cancel the resolution within 60 days of the date on which the resolution is made, unless there is only a minor defect in the convening procedure or the voting manner for the shareholders' meeting or Board meeting, which does not have any substantive effect on the resolution.

Article 39 Resolutions of the shareholders' meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

- (I) no shareholders' meetings or Board meetings has been convened to pass a resolution;
- (II) the resolution is not voted on at the shareholders' meeting or Board meeting;
- (III) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;
- (IV) the number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.

Article 40 Where the directors or senior management members violate the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties and cause the Company to suffer losses, a shareholder who holds 1% or more of the Company's shares singly or jointly for more than 180 days consecutively shall have the right to submit a written request to the Supervisory Committee to file a lawsuit with a people's court; where the Supervisory Committee violates the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties and cause the Company to suffer losses, a shareholder may submit a written request to the Board to file a lawsuit with a people's court.

Upon receipt of a shareholder's written request stipulated in the preceding paragraph, where the Supervisory Committee or the Board refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of the request, or in the event of an emergency where the interest of the Company will suffer irreparable damages if a lawsuit is not filed immediately, a shareholder stipulated in the preceding paragraph shall have the right to file a lawsuit directly with a people's court in his/her/its own name for the interest of the Company.

In the event that the legitimate rights and interests of the Company are infringed by others and the Company suffers losses thereto, a shareholder stipulated in the first paragraph of this Article may file a lawsuit with a people's court pursuant to the provisions of the two preceding paragraphs.

Article 41 Where the directors or senior management members violate the provisions of laws, administrative regulations or the Articles of Association and harm the interests of shareholders, a shareholder may file a lawsuit with a people's court.

Article 5242 The ordinary shareholders of the Company shall have the following obligations:

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

Where a shareholder of the Company abuses his/her rights as shareholders and thereby causing loss to the Company or other shareholders, such shareholder shall be liable for indemnification in accordance with the law.

Where a shareholder of the Company abuses the Company's status as an independent legal person and the limited liability of shareholders to evade repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company;

- ~~(HV)~~ to fulfill other obligations as stipulated by the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders shall not be liable to any further contribution of the share capital other than such terms as agreed by the subscriber(s) of the Relevant Shares at the time of subscription.

Article 43 Where a shareholder who holds over 5% of the Company's shares with voting rights pledges his/her/its shares, he/she/it shall submit a written report to the Company on the date of the occurrence of the event.

Article 44 The controlling shareholder or actual controlling party of the Company shall not make use of the relationship to harm the Company's interests. Persons who violate the provisions and cause the Company to suffer losses shall be liable for compensation.

The controlling shareholder and actual controlling party of the Company shall bear fiduciary obligation towards the Company and its public shareholders. The controlling shareholder shall exercise the rights of capital contributory strictly pursuant to the law, and shall not make use of profit distribution, asset restructuring, external investment, encroachment of funds, borrowings and guarantee etc. to harm the legitimate rights and interests of the Company and its public shareholders, or make use of the controlling status to harm the interests of the Company and its public shareholders.

Article 45 The controlling shareholder in the preceding Article refers to a shareholder whose shares exceed 50% of the total share capital in the Company, or a shareholder whose share proportion is less than 50% of the total share capital but whose voting rights are sufficient to exert a material influence on resolutions of the shareholders' meeting.

~~**Article 53** Except for the obligations as required by the laws, administrative regulations or the listing rules of the place in which the Company's shares are listed, the controlling shareholders shall not, in exercise of their voting rights, make any decisions on the following issues to the detriment of all or part of the shareholders:~~

- ~~(I) exempting directors and supervisors from acting in good faith for the best interests of the Company;~~
- ~~(II) permitting any directors and supervisors (for the benefit of themselves or others) to deprive the Company's property in any form, including (but not limited to) any opportunities that are favorable to the Company;~~
- ~~(III) approving any directors and supervisors (for the benefit of themselves or others) to deprive individual rights of other shareholders, including (but not limited to) any distribution rights or voting rights, but excluding the reorganization of the Company approved by the shareholders' general meeting in accordance with this Articles of Association.~~

Article 54 ~~"Controlling shareholder" referred to in the preceding Article refers to a person that satisfies any of the following conditions:~~

- ~~(I) he/she, acting alone or in concert with others, has the power to elect more than a half of the total number of directors;~~
- ~~(II) he/she, acting alone or in concert with others, has the power to exercise above 30% (including 30%) of the Company's voting rights or control the exercise of above 30% (including 30%) of the Company's voting rights;~~
- ~~(III) he/she, acting alone or in concert with others, holds more than 30% (including 30%) of the outstanding shares of the Company in issue;~~

~~(IV) he/she, acting alone or in concert with others, has de facto control over the Company in any other manner;~~

~~(V) other persons as stipulated by relevant laws, administrative regulations or the listing rules of the place where the Company's shares are listed.~~

CHAPTER VIII ~~GENERAL~~SHAREHOLDERS' MEETING

Section 1 ~~General Provisions on General~~ Shareholders' Meetings

Article 55~~46~~ The ~~general~~shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with laws.

Article 56~~47~~ The ~~general~~shareholders' meeting exercises the following powers:

~~(I) to determine the Company's operational policies and investment plans;~~

~~(H)~~I to elect or replace the directors and to decide on matters relating to the remuneration of such directors;

~~(HH)~~II to elect and replace the supervisors ~~who are non-employee representatives~~ and to decide on matters relating to the remuneration of such supervisors;

~~(HIII)~~III to consider and approve reports of the Board;

~~(V)~~IV to consider and approve reports of the Supervisory Committee;

~~(VI) to consider and approve the Company's proposed annual financial budgets and financial accounts;~~

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

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

~~(XVII)~~VII to decide on the Company's issuance of bonds or other securities and listing plans;

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

(~~XHX~~) to decide on the engagement, dismissal or non-reappointment of accounting firms by the Company;

(~~XHX~~) to amend the Articles of Association;

(~~XHXI~~) to consider and approve matters relating to the purchases, disposals of material assets (including but not limited to land, building, equipment, equity), which are more than 30% of the latest audited total assets, within one year;

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

(~~XHXIII~~) to review the equity incentive plan;

(~~XHXIV~~) to consider the proposal of shareholders representing more than ~~31~~% of the voting shares of the Company;

(~~XHXV~~) to review guarantees stipulated in Article ~~574~~8;

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

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

"Within one year" refers to "within one financial year".

Article ~~574~~8 The following external guarantees by the Company shall be considered and approved by a shareholders' ~~general~~-meeting.

(I) any guarantee provided after the total amount of external guarantees by the Company and its subsidiaries meets or exceeds 50% of the latest audited net assets;

(II) Any guarantee provided after the total amount of external guarantees by the Company meets or exceeds 30% of the latest audited total assets;

(III) any guarantee provided by the Company over the one year exceeds 30% of the Company's latest audited total assets;

(~~HHV~~) any guarantee provided for a target party whose asset-liability ratio is over 70%;

(~~HV~~) 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 shall be submitted to the ~~general~~shareholders' meeting for consideration as required in the laws, administrative regulations, departmental rules, regulatory documents.

When the ~~general~~shareholders' meeting ~~of shareholders~~ is deliberating the proposal to provide guarantee for the shareholder or the actual controller and its related parties, the shareholder or the shareholder controlled by the actual controller shall not participate in the voting. The vote shall be adopted by more than half of the voting rights held by other shareholders present at the ~~general~~shareholders' meeting.

“External guarantee” and “guarantees” as mentioned in this article refers to guarantee provided by the Company for others, including guarantee provided by the Company for its holdings subsidiaries. “Total external guarantee of the Company and its holdings subsidiaries” refers to the sum of Company’s total external guarantee including the guarantee provided by the Company for its holdings subsidiaries plus the total external guarantee provided by the holdings subsidiaries of the Company.

Without prejudice to the interests of the Company, the provisions of items (I) to (~~HHIV~~) of the first paragraph of this Article can be waived for the guarantees provided by the Company for its wholly-owned subsidiary or the guarantees provided by the Company for its majority-owned subsidiary whose other shareholders also providing equal proportions of guarantees according to their interests.

Article 5849 Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with any person (other than a director, supervisor, and senior management members) in relation to handover of the administration of all business or the important business of the Company to that person without the pre-approval of the ~~general~~shareholders' meeting.

Article 5950 The ~~general~~shareholders' meetings consist of annual ~~general~~shareholders' meetings and extraordinary ~~general~~shareholders' meetings. The ~~general~~shareholders' meetings shall be convened by the Board. The annual ~~general~~shareholders' meeting shall hold once every year within six months from the end of the preceding financial year.

Article 6051 The Company shall convene an extraordinary ~~general~~shareholders' meeting within two months upon the occurrence of any of the following events:

- (I) when the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;

- (III) when shareholders who individually or collectively hold more than 10% of the Company's shares entitled to vote make a written request to convene an extraordinary ~~general~~shareholders' meeting;
- (IV) when deemed necessary by the Board;
- (V) when proposed by the Supervisory Committee;
- (VI) ~~when proposed by more than two independent non-executive directors;~~
- ~~(VII)~~ any other circumstances stipulated by laws, administrative regulations, departmental regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

The number of shares held as described in Item (III) above shall be calculated as per the shares of the Company held by the shareholder on the date when such written request is made by such shareholder.

Article 6152 The Company shall hold its ~~general~~shareholders' meetings either at its domicile or other place designated by the convener of the shareholders' ~~general~~ meeting.

A meeting venue will be set up for the shareholders' ~~general~~ meetings and meetings shall be held in the form of on-site meeting and/or by electronic or other means permitted under laws, regulations and the listing rules of the stock exchange where the Company's shares are listed. The Board of the Company may, according to the specific circumstances and in accordance with the provisions of laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association, where applicable, adopt other voting methods such as Internet or telephone to facilitate the shareholders' participation in the shareholders' ~~general~~ meeting. Shareholders who attend the shareholders' ~~general~~ meeting in the above-mentioned manner shall be deemed to be present at the meeting. Shareholders (including shareholders attending in person and attending by electronic means) shall be entitled to (a) express their opinions at shareholders' ~~general~~ meetings; and (b) vote at shareholders' ~~general~~ meetings unless individual shareholders are required by laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association to abstain from voting on individual matters.

Section 2 Convening of ~~General~~Shareholders' Meetings

Article ~~62~~53 The shareholders' ~~general~~ meetings shall be convened by the board of directors. The supervisory committee or shareholders may convene the shareholders' ~~general~~ meeting on their own initiative, subject to the relevant requirements specified in this section.

~~More than two~~ Independent Non-executive Directors shall have the rights to propose to the board of directors to convene an extraordinary ~~general~~shareholders' meeting. Regarding the proposal requesting to convene an extraordinary ~~general~~shareholders' meeting by the Independent Non-executive Directors, the board of directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary ~~general~~shareholders' meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company are listed and the Articles of Association.

If the board of directors agrees to convene an extraordinary ~~general~~shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the board of directors. If the board of directors refuses to convene an extraordinary ~~general~~shareholders' meeting, an explanation shall be made.

Article ~~63~~54 The Supervisory Committee shall have the rights to propose to the board of directors to convene an extraordinary ~~general~~shareholders' meeting, and such proposal shall be submitted in writing. The board of directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary ~~general~~shareholders' meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company and the Articles of Association.

If the board of directors agrees to convene an extraordinary ~~general~~shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Supervisory Committee.

If the board of directors disagrees to convene the extraordinary ~~general~~shareholders' meeting or does not give any written reply within 10 days after receiving the proposal, the board of directors shall be deemed as failing to perform the duty of convening a shareholders' ~~general~~ meeting. In such case, the Supervisory Committee may convene and preside over the meeting.

Article 6455 Convening of an extraordinary ~~general~~shareholders' meeting ~~or a class meeting~~ at the request of the shareholders shall proceed in accordance with the procedures set forth below:

- (I) ~~shareholders who individually or together hold more than 10% of the Company's shares carrying the right to vote in the meeting to be convened can request the Board to convene an extraordinary general meeting or a class meeting and add resolutions to a meeting agenda by signing one or several copies of written requests in the same form and content and stating the motions and resolutions proposed. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible upon receiving such written requests. shall have the right to propose to the Board on convening of an extraordinary shareholders' meeting, and shall do so in writing. The Board shall issue a written feedback on consent or non-consent to convening of the extraordinary shareholders' meeting within 10 days from receipt of the requisition pursuant to the provisions of laws, administrative regulations, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed. The shareholdings referred to above shall be calculated as at the date of request made.~~
- (II) ~~where the Board fails to issue a notice of convening a general meeting within 30 days upon receipt of the above-written requests, the shareholders making the request(s) can request the Supervisory Committee to convene an extraordinary general meeting or a class meeting, where the Board gives consent to the convening of an extraordinary shareholders' meeting, a notice on convening of the extraordinary shareholders' meeting shall be issued within five days from passing of board resolution, and the consent of the relevant shareholders shall be obtained for any change to the original requisition in the notice.~~
- (III) ~~where the Board does not give consent to convening of extraordinary shareholders' meeting, or does not issue a feedback within 10 days from receipt of the requisition, holders of ordinary shares who hold 10% or more of the Company's shares carrying voting rights singly or in aggregate (including holders of preference shares with resumed voting rights) shall have the right to propose to the Supervisory Committee on convening of an extraordinary shareholders' meeting, and shall do so in writing.~~
- (IV) ~~where the Supervisory Committee gives consent to convening of an extraordinary shareholders' meeting, a notice on convening of the extraordinary shareholders' meeting shall be issued within five days from receipt of the requisition, and the consent of the relevant shareholders shall be obtained for any change to the original requisition in the notice.~~

(V) where the Supervisory Committee fails to issue a notice of convening a ~~general~~ shareholders' meeting within ~~30~~5 days upon receipt of the above written requests, the Supervisory Committee shall be deemed as not convening and chairing the shareholders' meeting and shareholders, for more than 90 consecutive days, individually or collectively holding more than 10% of the shares carrying voting rights ~~at the meeting to be convened~~ may convene and chair the meeting on their own accord ~~within four months upon the Board having received such request~~. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.

Article 56 Where the Supervisory Committee or the shareholders proceed(s) to convene a shareholders' meeting, the Board shall be notified in writing. Prior to announcement of resolutions passed by the shareholders' meeting, the shareholding percentage of the shareholders who convene the meeting shall not be less than 10%.

Article 57 Where the Supervisory Committee or the shareholders proceed(s) to convene a shareholders' meeting, the Board and the Board Secretary shall cooperate.

Article 6558 Necessary expenses arising from convening of a shareholders' ~~general~~ meeting by the supervisory committee or shareholders shall be borne by the Company.

Section 3 Proposals and Notices of ~~General~~Shareholders' Meeting

Article 6659 The contents of the proposals to be raised shall be within the scope of duties of the shareholders' ~~general~~ meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations, departmental regulations, normative documents, governing rules of securities which in the place(s) in which the shares of the Company are listed and the Articles of Association.

Article 6760 When a shareholders' ~~general~~ meeting is convened by the Company, the board of directors, the Supervisory Committee or shareholders individually or jointly holding more than ~~31~~% of the shares of the Company are entitled to propose resolutions to the Company.

The shareholders who individually or jointly, hold more than ~~31~~% of the total number of voting shares of the Company, have the right to put forward a temporary proposal in written form to the Company and submit it to the convener not less than 10 days before the shareholders' ~~general~~ meeting is held. The convener of the shareholders' ~~general~~ meeting shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' ~~general~~ meeting to inform other shareholders and include the matters which are within the scope of responsibilities of the shareholders' ~~general~~ meeting in the agenda of the meeting and submitted to the shareholders' ~~general~~ meeting for deliberation.

Except for circumstances stipulated in the preceding Article, upon announcement of the notice of shareholders' meeting, the convener shall not amend the proposals set out in the notice of shareholders' meeting or insert new proposals.

Where the notice of shareholders' meeting or supplementary notice does not set out the proposals stipulated in Article 59 or the proposals do not comply with the provisions of Article 59, the shareholders' meeting shall not vote on the proposal and pass resolution.

Article 6861 The convener of the annual ~~general~~shareholders' meeting will notify all shareholders of the time, place and deliberation matters 21 days before the meeting is held. The convener of the extraordinary ~~general~~shareholders' meeting will notify all shareholders 15 days before the meeting is held.

~~No general meeting shall resolve matters not stipulated in the notice or supplementary notice.~~

Article 6962 A notice of the ~~general~~shareholders' meeting shall meet the following requirements:

- (I) it shall be in written form;
- (II) it shall ~~specify the place, date and time~~ include the time, venue and the duration of the meeting;
- (III) it shall state the matters and proposals to be discussed at the meeting;
- (IV) ~~it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions on the matters to be discussed. This principle shall apply in (but not limited to) the circumstances where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the proposed transactions must be properly explained;~~
- (V) ~~if any director, supervisor or senior management members have material interests in the matters to be discussed, the nature and extent of such interests shall be disclosed, and if the effect of the matters to be discussed on such director, supervisor and senior management members in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;~~
- (VI) ~~it shall set out the full text of any special resolution proposed to be passed at the meeting;~~
- (VII) it shall contain a clear written statement that all shareholders shall be entitled to attend the ~~general~~shareholders' meeting and a shareholder who has the right to attend and vote at the meeting shall have the right to may appoint ~~one or more proxies~~ in writing a proxy to attend and vote at the meeting on his/her behalf and that such ~~proxies~~ proxy need not to be ~~shareholders~~ a shareholder of the Company;

~~(VIII)~~ shall state the names and telephone numbers of the standing contact persons for the meeting;

~~(IXVI)~~ it shall state the time and place for the delivery of the proxy forms for the meeting; other matters required to be set forth by the laws, regulations as well as the stock exchange where the Company's shares are listed.

~~Article 70~~ Except as otherwise stipulated in the Articles of Association, the notice of the general meeting shall be served on the shareholders (whether or not such shareholders are entitled to vote at the general meeting) by hand or postage prepaid mail. The address of the recipient shall be the registered address as shown in the register of shareholders. For holders of domestic shares, the notice of the general meeting may also be given by way of announcement.

~~The announcement referred above shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council 15 days prior to the convening of extraordinary general meetings, 21 days prior to the convening of annual general meetings. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.~~

Article 7163 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Section 4 The Convening of Shareholders' ~~General~~ Meeting

Article 7264 Any shareholder, including Hong Kong Securities Clearing Company Limited (HKSCC), entitled to attend and vote at a ~~general~~shareholders' meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his/her proxy to attend and vote on his/her behalf. If a member is a corporation, he/she/it appoint one or more proxies to attend and vote at a ~~general~~shareholders' meeting, and such member shall be deemed to be present in person at any such meeting if a proxy is so appointed. Such member may execute a form of proxy under the hand of a duly authorised officer.

Where the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at any shareholders' ~~general~~ meeting ~~or any category shareholders meeting~~; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A proxy so appointed shall be entitled to, in accordance with the authorization from that shareholder, exercise the same rights as other shareholders could exercise, including but not limited to the following rights:

- (I) the shareholder's right to speak at the ~~general~~ shareholders' meeting;
- (II) the right to demand, whether on his own or together with others, a poll;
- (III) to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote on a poll.

If a creditors' meeting is held, Hong Kong Securities Clearing Company Limited (HKSCC) shall be entitled to appoint a proxy or representative in writing to attend the creditors' meeting and have the same rights as other shareholders, including the right to express its opinion and vote.

Article 7365 The instrument appointing a proxy by a shareholder shall be in writing and signed by the appointer or his attorney duly authorized in writing, or if the appointer is a legal person either under seal or signed by its directors or personnel or attorney duly authorized.

Article 7466 The proxy form shall be deposited at least 24 hours prior to convening of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the domicile of the Company or such other place as the notice of meeting may specify. If the proxy form is signed by a person authorized by the appointer, the powers of attorney or other instruments of authorization shall be notarized. The powers of attorney or other instruments of authorization so notarized shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify at the same time as the proxy form is so deposited.

If the appointer is a legal person, such shareholder shall be represented at the ~~general~~ shareholders' meeting of the Company by its legal representative or the person authorized by its Board of Directors or other decision-making body of such appointer.

Article 7567 The proxy form issued by the Board of the Company to the shareholder for the appointment of proxies shall freely allow the shareholder to instruct his/her proxy to vote as he/she sees fit (voting in the affirmative or negative), and to give separate instructions for each resolution that will be voted at the meeting.

The proxy form should indicate that the proxy may vote at his/her discretion if no instructions have been given by the shareholder.

Article 7668 A vote given by the proxy in accordance with the proxy form shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given before the voting, provided that no notice in writing of such matters shall have been received by the Company before the commencement of the meeting.

Article 7769 The ~~general~~ shareholders' meeting shall be convened by the Board, the chairman of which shall also act as the chairman of the meeting. If the chairman of the Board fails or is unable to perform his or her duties, a director jointly elected by more than half of the directors shall act as the chairman of the meeting.

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

If a shareholders' ~~general~~ meeting is convened by the shareholders themselves, the convener will nominate a representative to preside over the meeting. ~~If for any reason, the convener is unable to elect a representative as a presider to preside over the meeting, the shareholder holding the most voting shares among the conveners (including shareholder proxy) shall act as the presider.~~

When a shareholders' meeting is held and the chairman violates the procedural rules in a way that makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights. If for any reason the shareholders fail to elect a meeting chairman, the shareholder (including proxy) attending the meeting and holding the largest number of shares with voting rights shall be the meeting chairman.

Article 70 The Company shall formulate procedural rules for the shareholders' meeting, stipulating in detail the procedures for holding and voting at the shareholders' meeting, including, among others, notification, registration, deliberation of proposals, voting, counting of votes, the announcement of voting results, the formation of meeting resolutions, meeting minutes and their signing and announcement, as well as principles of authorization to the Board by the shareholders' meeting. The contents of authorization shall be clear and specific. The procedural rules for the shareholders' meeting, which form an appendix to the Articles of Association, shall be drafted by the Board and approved by the shareholders' meeting.

Article 71 At the annual shareholders' meeting, the Board and the Supervisory Committee shall report on their work in the previous year.

Article 72 Directors, supervisors, and senior management members shall explain with respect to the inquiries and suggestions from shareholders at the shareholders' meeting, except those involving the Company's trade secrets which cannot be disclosed at the shareholders' meeting.

Article 783 Minutes shall be prepared for ~~general~~ shareholders' meetings by the secretary to the Board. The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and name of the convener;
- (II) The name of the chairman of the meeting and the names of the directors, supervisors, general manager and other senior management attending or present at the meeting;

- (III) The numbers of shareholders (including holders of domestic shares, unlisted foreign shares (if any)) and overseas-listed shares and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations (if any);
- (VI) Names of vote counters and scrutinizer of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

Article 794 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners or his/her representative and the chairman of the meeting shall sign on the minutes.

Section 5 Voting and Resolutions at ~~General~~ Shareholders' Meetings

Article 8075 Resolutions of a ~~general~~ shareholders' meeting are classified into ordinary resolutions and special resolutions.

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

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

Article 8176 Shareholders (including their proxies) who vote at a ~~general~~ shareholders' meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, the shares held by the Company itself do not have voting rights, and such shares are not included in the total number of shares with voting rights attending the ~~general~~ shareholders' meeting.

When any shareholders' ~~general~~ meeting considers matters related to related-party transactions, if the applicable laws and regulations or the listing rules of the stock exchange where the Company's shares are listed require, the related shareholder shall not vote and the number of voting shares that he represents shall not be counted as part of the total number of valid votes.

~~Article 82~~ Any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands.

If the chairman of the meeting decides to vote by a show of hands, voting at general meetings shall be conducted by a show of hands unless the following persons require voting by poll before or after voting by a show of hands:

(I) ~~chairman of the meeting;~~

(H) ~~at least two shareholders with voting rights or proxies thereof;~~

(HH) ~~one shareholder or certain shareholders (including proxies) severally or jointly holding more than 10% (including 10%) of shares with voting rights at the meeting.~~

If the chairman of the meeting decides to vote by a show of hands, unless a poll is demanded, the announcement by the chairman that whether the proposals have been passed based on the results of voting by a show of hands and the recording of such in the minutes shall be conclusive evidence. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution at the meeting.

The demand for a poll may be withdrawn by the person who demanded the same.

~~Article 83~~ If the matter demanded to be resolved by a poll is the election of the chairman or the termination of the meeting, a poll shall be taken immediately. The chairman can decide when a poll will be taken if it is demanded for any other matter, and the meeting may continue, and other matters may be discussed. The results of that poll shall be considered as resolutions passed at the meeting.

Article 8477 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

~~Article 85~~ In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 8678 Where applicable laws and regulations or Hong Kong Listing Rules requires any shareholder to abandon his or her voting on specific resolution or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

Article 79 The shareholders' meeting shall vote on all the proposals item by item. In case of different proposals for one matter, they shall be voted on according to the time sequence when the proposals were submitted. The shareholders' meeting shall not set any proposal aside or fail to vote on any proposal unless the meeting is suspended, or it is impossible to make a resolution due to force majeure or any other special circumstance.

Article 8780 The following matters shall be passed as ordinary resolutions in a ~~general~~ shareholders' meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans proposed by the Board;
- (III) appointment and dismissal of the directors and ~~non-employee representative~~ supervisors and their remuneration and payment methods;
- (IV) the removal of a director (including an executive director) of the Company whose term of office has not expired, except as otherwise provided by law, administrative regulations or regulatory requirements; provided that such removal shall be without prejudice to any claim for damages under any contract by such director;
- (V) annual ~~budget plans, financial account plans~~, balance sheet, profit and loss statement of the Company;
- (VI) annual reports of the Company;
- (VII) resolutions to appoint, remove or not to renew an appointment of the Company's accounting firm and to determine its remuneration;
- (VIII) external guarantee stipulated in Article ~~5748~~ of these Articles of Associations (excluding item (II) in paragraph I);
- (IX) matters which shall be approved by a ~~general~~ shareholders' meeting other than those required to be passed as special resolutions pursuant to laws, administrative regulations, listing rules of the places where the Company's shares are listed or the provisions of the Articles of Association.

Article 8881 The following matters shall be passed as special resolutions in a ~~general~~ shareholders' meeting:

- (I) increase or reduction in the share capital of the Company and issuance of shares of any class, warrants and other similar securities; The matter on buy-back of the Company's shares by the Company to be submitted to the shareholders' ~~general~~ meeting for consideration in accordance with the provisions of the Articles of Association;
- (II) issuance of bonds by the Company;
- (III) division, merger, dissolution, liquidation, voluntary winding up or change of corporate form of the Company;
- (IV) amendments to the Articles of Association;
- (V) reviewing the matters involving the purchase, sale of material assets (including but not limited to lands, properties, equipment, and equities) or guarantee within one year which accounts for more than 30% of the audited total assets of the Company in the latest period;
- (VI) Equity incentive plan;
- (VII) other matters specified by laws, administrative regulations, listing rules of the places where the Company's shares are listed, or the Articles of Association or matters specified by ordinary resolutions of a ~~general~~ shareholders' meeting that are considered to be significant to the Company and shall be passed as special resolutions.

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

Article 8982 Shareholders who attend the shareholders' ~~general~~ meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.

Article 9083 The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the ~~general~~ shareholders' meeting has been passed in accordance with the voting results. His/her decision shall be final and shall be announced at the meeting and recorded in the meeting minutes.

Article 9184 If the chairman of the meeting has any doubts about the voting result of a proposed resolution, he/she may arrange to recount of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

Article 9285 If ballots are counted at a ~~general~~ shareholders' meeting, the counting results shall be recorded in the minutes of the meeting. The minutes together with the attendance record of shareholders, the powers of attorney of the proxies and valid record of other means of voting, shall be kept at the domicile of the Company for no less than ten years.

Article 86 The convener shall ensure that the shareholders' meeting is held continuously until final decisions are made. Where the shareholders' meeting is suspended or a decision cannot be made due to force majeure or other special circumstances, necessary procedures should be taken as soon as possible to resume the meeting or to directly terminate that meeting, with a public announcement made without delay. Except for such circumstances, the shareholders' meeting shall not set any proposal aside or fail to vote on any proposal.

~~**Article 93** Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings from the Company, the Company shall send such photocopies within seven days upon receipt of the payment for reasonable charges.~~

~~CHAPTER IX SPECIAL PROCEDURES FOR VOTING BY CLASS~~ **SHAREHOLDERS**

~~**Article 94** Shareholders of different classes of shares are class shareholders.~~

~~Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations, listing rules of the places where the Company's shares are listed, and the provisions of the Articles of Association.~~

~~**Article 95** If the Company proposes to change or nullify the rights of a certain class of shareholders, such proposal shall be passed by a special resolution at a general meeting and be passed at the meeting convened according to Article 97 to Article 101 of the Articles of Association respectively for the affected class of shareholders.~~

~~Article 96~~ The rights of a certain class of shareholders shall be deemed to have been changed or nullified in the following circumstances:

- ~~(I) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of other class which enjoy the same or more voting rights, distribution rights or other privileges;~~
- ~~(II) to convert all or part of the shares of that class into another class, convert all or part of the shares of another class into that class, or grant such conversion rights;~~
- ~~(III) to nullify or reduce the rights of that class of shares to receive payable dividends or cumulative dividends;~~
- ~~(IV) to reduce or nullify the privileged rights of that class of shares to acquire dividends or to obtain the distribution of assets during liquidation of the Company;~~
- ~~(V) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Company;~~
- ~~(VI) to nullify or reduce the rights of that class of shares to receive amounts payable by the Company in a particular currency;~~
- ~~(VII) to create a new class of shares which enjoys the same or more voting rights, distribution rights or other privileges as compared with that class of shares;~~
- ~~(VIII) to restrict the transfer of ownership of that class of shares, or increase the restrictions;~~
- ~~(IX) to grant the share subscription options or share conversion options of that class or another class of shares;~~
- ~~(X) to increase the rights and privileges of another class of shares;~~
- ~~(XI) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring; and~~
- ~~(XII) to revise or nullify the provisions in the Articles of Association.~~

~~Article 97~~ Shareholders of the affected class, whether or not otherwise have the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters referred to in items (II) to (VIII) and (XI) to (XII) of Article 96, but interested shareholders shall not be entitled to vote at such shareholders' class meetings.

The “interested shareholder” mentioned in the preceding paragraph means:

- (I) ~~in the case of a repurchase of the Company’s shares by offers to all shareholders in the same proportion or public dealing on a stock exchange in accordance with the provisions of Article 30 of the Articles of Association, a controlling shareholder within the meaning of the article 54 in Articles of Association;~~
- (H) ~~in the case of a purchase of the Company’s shares by an off-market agreement under Article 30 of the Articles of Association, a shareholder to whom the agreement is related;~~
- (HH) ~~in the case of a proposal of restructuring of the Company, a shareholder who bears less than a proportionate amount of obligations imposed on the shareholders of that class or who has an interest different from that of the other shareholders of that class.~~

~~**Article 98** A resolution of the meeting for a certain class of shareholders shall be passed by more than two-thirds of the voting shares represented by shareholders of that class present at the meeting in accordance with Article 97.~~

~~**Article 99** Written notice of a class meeting shall be given by the Company 15 days or 10 working days (whichever is longer) prior to the date of the class meeting to notify all the registered shareholders holding shares of that class of the matters to be considered at the meeting and the date and place of the meeting.~~

~~If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the class meeting reaches more than a half of the shares which have the right to vote at the class meeting, the Company may convene the class meeting; if not, the Company shall, within five days, notify the shareholders of the class by public announcement of the matters to be considered, the date and the venue for the class meeting. The Company may then convene the class meeting after the publication of such notice.~~

~~If there is any special requirement by the listing rules of the places where the Company’s shares are listed, such requirements shall prevail.~~

~~**Article 100** Notice of class meetings need only be served on shareholders entitled to vote thereat.~~

~~Class meetings shall be conducted in a similar way as closely as possible to the procedures for general meetings. Except as otherwise provided in this chapter, the provisions of the Articles of Association relating to the conduct of any general meeting shall apply to any class meeting.~~

~~**Article 101** In addition to holders of other class of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes.~~

The special voting procedures for class shareholders shall not apply to the following circumstances:

- (I) the Company, upon the approval by way of a special resolution at the general meeting, issues solely domestic shares or overseas listed foreign shares or both every 12 months, provided that each of the amount of the domestic shares and overseas listed foreign shares intended to be issued accounts not more than 20% of the outstanding shares in issue of the respective class;
- (II) the Company's plan on issuing domestic shares and overseas listed foreign shares at the time of its establishment, which is completed within 15 months upon the date of approval from the securities regulatory authorities of the State Council;
- (III) upon approval from the competent securities regulatory authorities of the State Council and approved by the Hong Kong Stock Exchange, the shareholders of the Company list and trade the unlisted shares on foreign stock exchanges.

CHAPTER XVIII THE BOARD

Section I The Board

Article 10287 The Company shall establish a Board, which shall be accountable and report its work to the shareholders' general meeting. The Board shall consist of seven directors, in which there shall be three independent non-executive directors. The Board shall have one chairman. The chairman shall be appointed and could be removed by a majority of all members of the Board. The chairman shall serve a term of three years subject to re-election.

Article 10388 The Company shall set aside a period of time before convening the meeting in respect of candidates nominated by shareholders taking up the role of directors. Within this period, shareholders may issue a written notice to the Company in respect of nominating a candidate to be a director, and such candidate may issue the written notice regarding the indication of his/her intention to accept the nomination to the Company. The aforementioned period shall be at least seven days and shall commence no earlier than the first day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

Article 10489 Directors shall be elected and replaced at general shareholders' meetings and serve a term of three years. A Director may serve consecutive terms if re-elected upon the expiration of his/her term.

The term of office of a director shall commence from the date of him/her assuming office until the expiry of the term of the prevailing session of the Board. Where a director has not been timely re-elected at the expiry of the term of office, or where a director has resigned during the term of office resulting that the number of the members in the board falls below the quorum, the original director shall perform his/her duties as a director, prior to the assumption by the re-elected director, in accordance with the laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed and the provisions of the Articles of Association.

Subject to the relevant laws and regulations and regulatory rules in the PRC and the places where the Company is listed, any person appointed by the Board as a director to fill the casual vacancy of the Board or to add to the Board shall hold office only until the first general meeting of the Company after his/her appointment and shall then be eligible for re-election.

Any unexpired director can be removed before the expiration of his/her term of office by an ordinary resolution passed at a ~~general~~ shareholders' meeting, subject to full compliance with the relevant laws and administrative regulations and the Listing Rules of stock exchanges. Such removal does not affect the rights of such director to make any claim under any contract.

A manager or other senior management member may concurrently serve as a director, provided that the total number of directors serving as managers or other senior management member and the directors who are employee representatives (if any) does not exceed 50% of the total number of the Company's directors.

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

Article 90 If any director fails to attend in person or appoint another director as his/her representative to attend the Board meeting two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board shall propose to replace such director at the shareholders' meeting.

Article 91 A director may submit his/her resignation before the expiry of his/her term of office. Where a director resigns, he/she shall submit a written resignation report to the Board.

Article 92 When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the Board. His/her duty of loyalty to the Company and shareholders does not automatically terminate on the expiration of his/her term of office and shall remain in force for a reasonable period specified in the Articles of Association.

Article ~~105~~93 Unless provided by the Articles of Association or legally authorized by the board of directors, no director shall act on behalf of the Company or the board of directors. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the board of directors, such director shall declare in advance his/her position and capacity.

Article 94 Any director who violates laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and thereby causes losses to the Company shall be liable for compensation.

Section 2 Board of Directors

Article ~~106~~95 The Board shall be accountable to the ~~general~~ shareholders' meeting and perform the following duties and powers:

- (I) to convene the ~~general~~ shareholders' meeting and report its performance at the ~~general~~ shareholders' meetings;
- (II) to implement resolutions adopted at the ~~general~~ shareholders' meetings;
- (III) to make decisions on the Company's business plans and investment plans;
- (IV) ~~to formulate the Company's annual financial budgets and annual financial accounting plans;~~
- (V) to formulate the Company's profit distribution plans and loss recovery plans;
- (VI) to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of bonds or other securities and listing plans;
- (VII) to formulate the plans for ~~a~~ material acquisition, repurchase of the Company's shares, merger, division, dissolution and other changes in the corporate form of the Company;
- (VIII) to determine the establishment of internal management departments of the Company;
- (IX) to appoint or dismiss the general manager, the Board Secretary and the Company Secretary of the Company, and determine the remuneration matters, and to appoint or dismiss the deputy general manager, financial officer and other senior management members of the Company as nominated by the general manager and to determine their remunerations;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to authorize the chairman or general manager to exercise some of the duties and powers of the Board;

- (~~XXII~~) to consider and approve (1) share transactions with all percentage ratios of less than 5% and the consideration including shares to be issued for listing (including one-off transactions and a series of transactions that require a combined calculation of the percentage ratios), (2) disclosable transactions with all percentage ratios of 5% or more but less than 25% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules and (3) partially exempt connected transactions and non-exempt connected transactions with all percentage ratios (except profits ratio) of higher than 0.1% but lower than 5% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules;
- (~~XXIII~~) the investment, purchase and disposal of assets, asset mortgage, consigned financial management and financing which shall be submitted to the Board for determination in accordance with the listing rules of the stock exchange of the place(s) in which the shares of the Company are listed;
- (~~XXIV~~) to formulate the incentive stock option plan of the Company;
- (~~XXV~~) to prepare the proposal on the amount and payment method of the emoluments of directors and to submit it to the ~~general~~ shareholders' meeting for decision;
- (~~XXVI~~) to manage the information disclosure of the Company;
- (~~XXVII~~) to propose at ~~general~~ shareholders' meetings for the appointment or change of accounting firm conducting auditing for the Company;
- (~~XXVIII~~) to decide on such major matters and administrative affairs other than those ought to be decided by the ~~general~~ shareholders' meeting of the Company as specified in the laws, administrative regulations, rules and regulations of the authorities and these Articles of Association of the Company;
- (~~XXIX~~) to review and approve provision of external guarantees by the Company, other than the guarantees which are subject to review and consideration at a ~~general~~ shareholders' meeting in accordance with Article ~~57~~48 of the Articles of Association;
- (XX) to hear the general manager's work report and to inspect the manager's work;
- (XXI) other duties and powers stipulated by laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed, ~~or the provisions of the Articles of Association, or the shareholders' meeting.~~

Except for the Board resolutions in respect of the matters ~~specified in paragraphs (V), (VI) and (X) which shall be passed by more than two-thirds of the directors otherwise required by laws, regulation or the Articles of Association~~, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one-half of the directors.

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

Article 96 The Company's Board shall explain to the shareholders' meeting on the modified opinion issued by a certified public accountant for the Company's financial reports.

~~**Article 107** In cases where the expected value of fixed assets proposed for disposal by the Board of Directors, when aggregated with the value of fixed assets disposed within four months before the proposed disposal, exceeds 33% of the value of the fixed assets set out in the latest balance sheet reviewed by the general meetings, the Board shall not dispose or consent to dispose of such fixed assets without prior approval at the general meetings.~~

~~The term "fixed assets disposal" referred to in this Article represents (among other things) transferring certain interests in assets, but not including the provision of guarantees with fixed assets.~~

~~The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.~~

Article 97 The Board shall develop the procedural rules for the Board meetings to ensure that it implements the resolutions by shareholders' meeting, enhances work efficiency and safeguards decision-making in a scientific manner. The rules shall specify the procedures for holding and voting of the Board, be attached as an appendix to the Articles of Association, be drafted by the Board and be approved by the shareholders' meeting.

Article 108~~98~~ The chairman of the Board shall exercise the following powers:

- (I) to preside over ~~general~~ shareholders' meetings, to convene and preside over Board meetings;
- (II) to supervise and inspect the implementation of Board resolutions;
- (III) to execute documents in relation to the Company's issue of shares, corporate bonds, and other valuable securities;
- (IV) to sign important documents of the Board;
- (V) in case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with legal requirements and are in the interests of the Company on matters of the Company and provide ex-post reports to the Board and the shareholders' ~~general~~ meeting;

(VI) to nominate or recommend general manager, secretary to the Board and company secretary, for the Board to consider and vote;

(VII) other powers delegated by the Board and prescribed by the listing rules of the place(s) in which the shares of the Company are listed.

If the chairman of the board of the Company is unable to perform his or her duties or fails to perform his or her duties, a director elected by at least one-half of the directors shall perform such duties.

Article ~~10999~~ Meetings of the Board shall be classified into the regular meetings of the Board and extraordinary meetings of the Board.

At least four Board meetings shall be convened each year, among which there are two regular Board meetings. Board meetings shall be convened by the chairman of the board. The meeting notice ~~and meeting documents~~ of regular Board meetings shall be served on all directors and supervisors at least fourteen days before the meeting (excluding the day of the meeting). The Board of Directors shall have arrangements to ensure that all directors have the opportunity to put forward matters for discussion to be included in the agenda of the regular meetings of the Board of Directors. The Board meeting information shall be delivered to all directors before three days before convening of the meeting (excluding the date on which the meeting is convened).

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

Article ~~110100~~ The chairman of the board shall convene an extraordinary board meeting within ten days after received the proposal in one of the following circumstances:

(I) proposed by shareholders holding more than one-tenth of the voting rights;

(II) proposed by more than one-third of the directors;

(III) proposed by more than a half of independent non-executive directors;

(IV) proposed by the general manager or the Supervisory Committee;

(V) considered necessary by the chairman; ~~and~~

(VI) other circumstances stipulated by the Articles of Association.

Article ~~11101~~ The notice of board meeting and extraordinary board meeting shall be served in writing to all directors and supervisors by hand, mail, e-mail, or facsimile five days before the date of the meeting. However, if an extraordinary meeting of the Board of Directors needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or, other oral methods, provided that the convener gives an explanation thereof at the meeting.

Article ~~112~~102 Except for the extraordinary meeting of the Board under urgent circumstances, the notice of board meeting shall be served by hand or e-mail, facsimile, and other means.

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

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reason for the meeting and matters to be considered at the meeting;
- ~~(III)~~(IV) the date of issuance of the notice.

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

Article ~~113~~103 Meetings of the Board may be held only if more than one-half of the directors are present.

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

~~If the votes for and against are the same, the chairman shall be entitled to cast one additional vote.~~

Article ~~114~~104 Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has any interest in the subject matter of the board meeting, such director shall abstain from the meeting, and his/her voting rights shall be withdrawn and he/she shall not be counted in the quorum of the meeting. Where any director of the Company has any related-party relationship with any enterprise or individual involved in the matter to be decided at the Board meeting, such director shall submit a written report to the Board in a timely manner. Where any Director is required to abstain from voting, the relevant meeting of the Board may be held when more than half of the uninterested Directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested Directors. If the number of uninterested Directors attending the meeting is less than 3, the relevant proposal shall not be voted and shall be submitted to the ~~general~~ shareholders' meeting for review.

Article ~~115~~105 Meetings of the Board shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he/she shall appoint another director in writing to attend the meeting on his/her behalf. Such an instrument of appointment shall specify the names of the proxy, the issues, the scope of the authorization granted by the principal, and the term of validity of the appointment and with the principal's signature or seal.

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

Article ~~H6~~106 All resolutions at the Board meeting were voted by registered poll.

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

Where the directors cannot sign the resolutions made at a telephone meeting or video meeting in real time, they may give a verbal vote first and responsively affix the written signature thereof. The verbal vote by a director shall have the same effect as the written signature, provided that there is no discrepancy between the opinions expressed by such director in completing the written signature and the opinions orally expressed by him during the meeting. If there is a discrepancy between the two, the opinions orally expressed shall prevail.

If a Board meeting is held via circulation of written proposal, directors or proxies thereof shall write down their opinions of pros or cons. Once the number of directors voting in favor of the proposal has reached the quorum necessary for resolving on the proposal as specified in the Articles of Association, such proposal shall be passed as a resolution of the Board.

Article ~~H7~~107 The board shall keep minutes of resolutions on matters discussed at relevant meetings. The minutes shall be signed by the directors and the person who recorded the minutes present at such meetings.

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

Archives of board meetings, including notices of meeting, meeting materials, attendance book, power of attorney for attendance by proxy, voice recording of meeting, ballots, meeting minutes signed by the attending directors for confirmation, meeting summaries, resolution records, etc., shall be kept by the secretary of the Board. Such minutes shall be available for inquiry at any reasonable time upon reasonable notice by any director. The minutes of Board meetings shall be kept as archives of the Company for no less than ten years.

Article ~~118~~108 Where necessary, the Board may establish special committees such as audit committee, nomination committee and remuneration committee, which are the special working body under the Board and responsible for providing suggestions and advices to the Board. The composition of each special committee and its specific functions and powers shall be stipulated by the Board separately. Special committees shall not make any resolution in the name of the Board. Instead, in the absence of violation of the provisions under PRC's relevant laws, regulations, regulatory documents and the listing rules of the stock exchange where the Company's shares are listed, they shall exercise the right of decision on the authorized matters under the special authorization of the Board.

CHAPTER ~~XIX~~ SECRETARY TO THE BOARD

Article ~~119~~109 The Company shall have a secretary to the board, who shall be engaged or dismissed by the Board. The secretary to the board shall be a senior management officer of the Company.

Article ~~120~~110 The secretary to the board shall be a natural person with the necessary professional knowledge and experience. His or her main duties shall be as set forth below:

- (I) ensuring that the Company has complete organizational documents and records;
- (II) ensuring that the Company prepares and submits reports and documents required by relevant authorities pursuant to the law;
- (III) ensuring that the register of shareholders of the Company is properly established, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents;
- (IV) other duties assigned by the Board and other duties required by laws, regulations, and the stock exchange listing rules for the listing of company stocks.

Article ~~121~~111 A director or other senior management of the Company may also act as the secretary to the Board of the Company. No accountant of the accounting firm which has been appointed by the Company shall act as the secretary to the Board.

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

CHAPTER ~~XH~~ THE GENERAL MANAGER

Article ~~122~~112 The Company shall have one general manager who shall be appointed or dismissed by the Board.

The Company shall have several deputy general managers who shall be appointed or dismissed by the Board.

The term of office of a manager is three years and is renewable upon re-election.

Article ~~123~~113 The general manager of the Company shall be accountable to the Board and perform the following duties and powers:

- (I) to lead the management of operation, to organize and implement the Board resolutions and report to the Board;
- (II) to organize and implement the annual operation plan and investment proposal of the Company;
- (III) to propose the establishment proposal of the internal management departments of the Company;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate the Company's specific rules;
- (VI) to propose the appointment or dismissal of senior management including the deputy general managers and the chief financial officer of the Company;
- (VII) to appoint or dismiss other management members other than those required to be appointed or dismissed by the Board;
- (VIII) other duties and powers granted by the Articles of Association or the Board.

Article ~~124~~114 The general manager of the Company may be present at a Board meeting. The general manager has no voting rights at the Board meetings unless he/she is also a director.

Article ~~125~~115 In exercising his/her functions and powers, the general manager shall perform the duty in good faith and diligence in accordance with relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Article ~~126~~116 The general manager may tender their resignation before the expiry of their term of office, but shall notify the Board of Directors in writing of such resignation. Specific procedures and measures concerning resignation shall be prescribed in labor or employment contracts between the general manager and the Company.

Article 117 The general manager shall formulate his/her own working rules in detail, subject to approval by the board of directors before implementation.

CHAPTER XIX SUPERVISORY COMMITTEE

Article ~~127~~118 The Company shall have a Supervisory Committee.

Article ~~128~~119 The Supervisory Committee consists of three supervisors. The Supervisory Committee shall have a chairman. The term of office of a supervisor is three years. Upon expiration of the term of office, the supervisors can be re-elected and re-appointed.

The chairman of the Supervisory Committee shall be appointed or dismissed by the votes of more than ~~two-thirds~~ a half of the members of the Supervisory Committee.

Article ~~129~~120 The supervisors shall be the representatives of shareholders and employees of the Company. The ratio of the employee representative Supervisors shall be no less than one-third. The employee representative supervisors shall be elected by the representative staff and workers congress, the staff and workers congress, or other forms of a democratic election. The supervisors acted by the representatives of shareholders shall be elected, changed and removed by the ~~general~~ shareholders' meeting.

Directors and senior management shall not act as supervisors.

Article 121 Supervisors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the obligations of loyalty and diligence to the Company. They shall not take any bribe or other illegal gains by taking advantage of their authority, nor shall they misappropriate the Company's property.

Article ~~130~~122 Where no re-election is made upon expiry of the term of a supervisor or the resignation of a supervisor within his/her tenure results in the number of members of the Supervisory Committee falling below the statutory number, the retiring supervisor shall, before a new supervisor is elected and assumes office, continue to perform his/her duties as a supervisor in accordance with laws, regulations and these Articles.

Article 123 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 124 Supervisors may sit at the Board meetings and raise inquiries or suggestions on resolutions to be resolved by the Board.

Article 125 No supervisor may take advantage of his/her connected relationships to damage the Company's interests and, where any loss is incurred as a result of any such violation, shall be liable for compensation.

Article 126 Any supervisor who violates any law, administrative regulation, departmental rule or the Articles of Association in the performance of his/her duties shall be liable for compensation if any loss is caused to the Company.

Article 131~~127~~ The Supervisory Committee shall be accountable to the ~~general~~ shareholders' meeting and exercise the following functions and powers in accordance with the law:

- (i) to check the financial affairs of the Company;
- (ii) to supervise the directors and senior management members in the performance of their duties, and to put forward proposals on the removal of any director or senior manager who violates laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association or any resolution of the ~~general~~ shareholders' meeting;
- (iii) to require the director or senior management to make corrections if his/her act is detrimental to the interests of the Company;
- (iv) to review the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the ~~general~~ shareholders' meetings and, to engage certified public accountants or practicing auditors in the name of the Company to assist in the review whenever queries arise;
- (v) to propose the convening of extraordinary ~~general~~ shareholders' meetings, and convene and preside over ~~general~~ shareholders' meetings when the Board fails to fulfill its duty under the Articles to do so and to submit proposals to the ~~general~~ shareholders' meetings;
- (vi) to act on behalf of the Company in negotiation with a director or a senior management member, or bringing an action against a director or a senior management member;
- (vii) to investigate and, if necessary, to engage professional organizations, such as accounting firms and law firms, to assist the Company in its work if it discovers any irregularities in the Company's operations. The expenses shall be borne by the Company;
- (viii) other functions and duties as provided for by the laws, administrative regulations, and Articles of Association.

~~Supervisors shall present at the Board meetings.~~

Article ~~132~~128 Meetings of the Supervisory Committee are regular meetings and interim meetings. Meetings of the Supervisory Committee shall be convened at least once every six months. The chairman of the Supervisory Committee shall be responsible for convening meetings of the Supervisory Committee. In the event the chairman of the Supervisory Committee is unable to or fails to exercise his authorities, a supervisor jointly nominated by more than half of all the supervisors shall convene and preside for meetings of the Supervisory Committee. A supervisor may propose to convene an interim meeting of the Supervisory Committee.

Article ~~133~~129 Notice of a regular meeting of the Supervisory Committee shall be delivered to all supervisors in writing ten days before the convening of the meeting.

Notice of an interim meeting of the Supervisory Committee shall be delivered to all supervisors in writing five days before the convening of the meeting. In emergencies, a meeting notice can be sent out by phone or other oral means at any time.

The notice of a Supervisory Committee meeting shall include the following:

(I) the date, venue, and duration of the meeting;

(II) the matters and agenda to be discussed;

(III) the date of issuance of the notice.

Article ~~134~~130 Resolution of the Supervisory Committee shall be approved by the votes of more than ~~two-thirds~~ a half of its members.

Article ~~135~~131 The Supervisory Committee shall file resolutions considered as minutes, which shall be signed by supervisors who are present at the meeting.

The supervisors shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of Supervisory Committee meetings shall be kept at the domicile of the Company as archives of the Company for no less than ten years.

Article ~~136~~132 The reasonable expenses incurred in respect of engaging a professional, such as a lawyer, certified public accountant, practicing auditors, etc., by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

Article ~~137~~133 The supervisors shall observe laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association, and faithfully perform their supervisory duties.

Article 134 The Supervisory Committee shall develop the procedural rules for the Supervisory Committee meetings, specifying discussion methods and voting procedures to ensure work efficiency and safeguard decision-making in a scientific manner. The rules shall stipulate the procedures for convening and voting at a Supervisory Committee meeting. The rules shall be attached as an appendix to the Articles of Association, be drafted by the Supervisory Committee and approved by the shareholders' meeting.

CHAPTER ~~XIV~~XII QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

Article ~~138~~135 None of the following persons may serve as directors, supervisors, or senior management members of the Company:

- (i) persons without capacity or with limited capacity for civil acts;
- (ii) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy, where not more than five years have elapsed since the expiration of the period of punishment; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation; or persons who were sentenced to probation and it has not been more than 2 years since the expiration of the probation period;
- (iii) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;
- (iv) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license or the date of being ordered to close down;
- (v) persons ~~with being listed as dishonest persons subject to enforcement by the people's court~~ for comparatively large debts that have fallen due but have not been settled;
- (vi) persons ~~whose cases have been placed on the docket and are being investigated by the judicial authorities because they violated the criminal law, and such cases are still pending being banned from entering the securities market by the CSRC and the period has not elapsed;~~

- ~~(vii) persons who are prohibited from acting as a management member of a company by laws, administrative regulations or the listing rules of the place where the Company's shares are listed;~~
- ~~(viii) non-natural persons;~~
- ~~(ix) persons ruled by a competent authority to have violated relevant securities regulations, where such violation involved fraudulent or dishonest acts and not more than five years have elapsed since the date of the ruling;~~
- ~~(x) other circumstances specified by laws, administrative regulations or departmental rules and the relevant laws and regulations of the place where the Company's shares are listed.~~

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

Article 139~~136~~ The validity of an act of a director, or senior management member of the Company on behalf of the Company shall not, vis-à-vis a bona fide third party, be affected by any non-compliance in his or her holding of such office, election or qualification.

Article 140~~In addition to obligations imposed by laws, administrative regulations or the listing rules of the place where the Company's shares are listed, the Company's directors, supervisors, and senior management members shall owe each shareholder the following obligations in the exercise of the functions and powers granted to them by the Company:~~

- ~~(i) not to cause the Company to exceed the scope of business stipulated in its business license;~~
- ~~(ii) to act honestly in the best interest of the Company;~~
- ~~(iii) not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are advantageous to the Company;~~
- ~~(iv) not to deprive shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, except the restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.~~

Article 137 Directors shall comply with laws, administrative regulations, and the Articles of Association, with the following duties of loyalty to the Company:

- (I) not abuse their authority by receiving any bribe or other illegal income, and not embezzle any of the Company's property;
- (II) not misappropriate the Company's funds;
- (III) not deposit the Company's assets into accounts held in their own names or in the name of any other individual;
- (IV) not, in violation of the Articles of Association, lend Company funds to other people or provide guarantees for other people with the Company's assets without the consent of the shareholders' meeting or the Board;
- (V) not enter into contracts or trade with the Company either in violation of the Articles of Association or without the consent of the shareholders' meeting;
- (VI) without the consent of the shareholders' meeting, do not take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or for any other person, or operate business of the same kind for himself/herself or for any other person;
- (VII) not accept commissions for transactions with the Company as their own;
- (VIII) not disclose Company secrets without authorization;
- (IX) not make use of their related-party relationship to damage the Company's interests;
- (X) have other duties of loyalty specified by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

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

The provisions of the preceding paragraph regarding directors' duty of loyalty shall apply equally to senior management members.

Article 138 Directors shall comply with laws, administrative regulations, and the Articles of Association, with the following duties of diligence to the Company:

- (I) be prudent, serious and diligent in exercising the authority conferred by the Company to ensure that the business activities of the Company comply with the country's laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;
- (II) treat all shareholders equally;
- (III) keep abreast of the Company's business management status;
- (IV) sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;
- (V) provide accurate information and materials to the Supervisory Committee, and shall not interfere with the performance of duties by the Supervisory Committee or individual supervisors;
- (VI) have other diligence duties prescribed by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

The provisions of items (IV), (V) and (VI) of the preceding paragraph regarding directors' duty of diligence shall equally to senior management members.

Article 141139 The Company's directors, supervisors, and senior management members shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with the care, diligence, and skill that a reasonably prudent person should exercise in comparable circumstances.

~~**Article 142** The directors, supervisors and senior management members of the Company shall perform their duties in accordance with the principle of fiduciary and shall not put themselves in a position where their duties and their interests may be in conflict. This principle includes, without limitation, the discharge of the following obligations:~~

- ~~(i) to act in good faith in the best interest of the Company;~~
- ~~(ii) to exercise powers within the scope of their duties and powers and not to exceed;~~
- ~~(iii) to exercise his discretionary power in person without being subject to the manipulations of other persons, and not to transfer such power to other persons unless permitted by laws, administrative regulations or the listing rules of the place where the shares of the Company are listed or with the informed consent of shareholders given at a general meeting;~~

- ~~(iv) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;~~
- ~~(v) unless otherwise provided in the Articles of Association or with the informed consent of shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;~~
- ~~(vi) without the informed consent of shareholders given at a general meeting, not to use the Company's property for their own benefit by any means;~~
- ~~(vii) not to exploit their position to accept bribes or other illegal income or infringe the property of the Company by any means, including, without limitation, opportunities advantageous to the Company;~~
- ~~(viii) without the informed consent of shareholders given at a general meeting, not to accept commissions in connection with the Company's transactions;~~
- ~~(ix) to abide by the Articles of Association, faithfully execute their duties and protect the Company's interests, and not to exploit their position and functions and powers in the Company to advance their own private interests;~~
- ~~(x) not to use the advantages of their position to appropriate for themselves or for others, business opportunities which rightly belong to the Company and operate a business for their own account or on behalf of others which is of the same type as the Company's business, and not to compete with the Company in any way without the informed consent of shareholders given at a general meeting;~~
- ~~(xi) not to misappropriate the Company's funds or to open accounts in their own names or other names for the deposit of the Company's assets or funds and not to provide a guarantee for the debts of shareholder(s) of the Company or other individual(s) with the Company's assets;~~
- ~~(xii) without the informed consent of shareholders given at a general meeting, not to leak out confidential information relating to the Company acquired by them in the course of and during their tenures and not to use such information in purposes other than in furtherance of the interests of the Company, provided that disclosure of such information to the court or other governmental authorities is permitted if it is:~~
 - ~~1. by order of the laws;~~
 - ~~2. in the interests of the public;~~
 - ~~3. in the interest of the relevant director, supervisor, or senior management member.~~

~~**Article 143**—The directors, supervisors or senior management members of the Company shall not direct the following persons or bodies (the “Connected Persons”) to do anything to which such directors, supervisors or senior management members are not permitted:~~

- ~~(i) the spouse or minor children of the directors, supervisors and senior management members of the Company;~~
- ~~(ii) the trustee of the directors, supervisors or senior management members of the Company or of the persons stated in paragraph (i) of this Article;~~
- ~~(iii) the partners of the directors, supervisors or senior management members of the Company or of the persons stated in paragraphs (i) and (ii) of this Article;~~
- ~~(iv) the company de facto solely controlled by the directors, supervisors or senior management member of the Company or the company de facto jointly controlled by the persons mentioned in paragraphs (i), (ii) and (iii) of this Article or other directors, supervisors and senior management members of the Company; and~~
- ~~(v) the directors, supervisors or senior management members of the company so controlled as referred to in paragraph (iv) of this Article.~~

~~**Article 144**—The fiduciary duties of the directors, supervisors and senior management members of the Company do not necessarily cease with the termination of their tenure while their obligation to treat such trade secrets of the Company confidential survives the termination of their tenure. Other obligations may continue for such a period as fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated.~~

~~**Article 145**—Except for such circumstances provided in Article 53 of the Articles of Association, any director, supervisor, or senior management member of the Company may be relieved from such liability for the violation of his/her specific obligation with the informed consent of shareholders given at a general meeting.~~

~~Article 146~~ Where a director, supervisor or senior management member of the Company has significant interests, directly or indirectly, in any contract, transaction or arrangement entered into or contemplated by the Company (other than the service contract between a director, supervisor or senior management member of the Company and the Company), he/she shall disclose the nature and extent of such interests to the Board promptly whether or not such contract, transaction or arrangement is subject to the approval of the Board under normal circumstances.

~~A director shall not vote on any contract, transaction or arrangement in which he or any of his close associates (as defined in the Hong Kong Listing Rules) has a material interest nor shall be counted in the quorum present at the meeting.~~

~~Unless the interested director, supervisor or senior management member of the Company has disclosed such interests to the Board as required under the paragraph 1 of this Article and the matter has been approved by the Board at a meeting where he/she was not counted in the quorum and had refrained from voting, the Company shall have the right to revoke the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the relevant director, supervisor or senior management member concerned.~~

~~A director, supervisor or senior management member of the Company shall be deemed to have interests in the contract, transaction or arrangement in which a Connected Person of such director, supervisor or senior management member has interests.~~

~~Article 147~~ In the event that a director, supervisor or senior management member of the Company gives written notice to the Board before the Company considers to enter into the contract, transaction or arrangement for the first time, stating that due to the contents set out in the notice, such director, supervisor or senior management member has interests in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor, and senior management member shall be deemed to have made such disclosure required under the preceding provisions of this chapter within the scope stated in the notice.

~~Article 148~~ The Company shall not, in any manner, pay tax for its directors, supervisors and senior management members, except for the case of withholding and paying individual income tax for the foregoing persons in accordance with relevant laws and regulations.

~~Article 149~~ The Company shall not directly or indirectly provide a loan or loan security to a director, supervisor, or senior management member of the Company and its controlling shareholders or to the Connected Persons of the foregoing persons.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- ~~(i) the Company provides a loan to its subsidiary or loan security to its subsidiary;~~
- ~~(ii) the Company provides a loan, loan security or other funds to the directors, supervisors, and senior management members of the Company pursuant to letters of appointment approved at a general meeting, so as to enable such directors, supervisors, and senior management members to pay the expenses incurred for the Company or in performing their duties; and~~

~~(iii) in the event that the normal business scope of the Company expands to the provision of loans and loan security, the Company can provide loans and loan security to the relevant directors, supervisors, and senior management members of the Company or their Connected Persons, provided that the conditions for the provision of loans and loan security shall be on normal commercial terms.~~

~~**Article 150**—The recipient of any loan provided by the Company in breach of the preceding Article shall immediately repay such loan regardless of the terms of the loan.~~

~~**Article 151**—No enforcement shall be imposed upon the Company for any loan security provided by the Company in breach of clause (i) of Article 149 of the Articles of Association, except for the following circumstances:~~

- ~~(i) the loan provider has no knowledge that the loan is provided to a Connected Person of a director, supervisor, and senior management member of the Company or its controlling shareholders;~~
- ~~(ii) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.~~

~~**Article 152**—For the purposes of the preceding Articles of this chapter, the term “security” shall include an act whereby a guarantor assumes its liability or provides property to guarantee in order to secure the performance of obligations by an obligator.~~

~~**Article 153**—When a director, supervisor, and senior management member of the Company is in breach of his/her duties to the Company, in addition to any rights and remedies provided by laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, the Company has the right to:~~

- ~~(i) claim from such director, supervisor and senior management member for compensation of any loss incurred by the Company as a result of such breach;~~
- ~~(ii) rescind any contract or transaction entered into by the Company with such director, supervisor and senior management member or with a third party (where such third party knows or should know the breach of duties to the Company by such director, supervisor and senior management member representing the Company);~~
- ~~(iii) demand such director, supervisor and senior management member to surrender the profits received as a result of breaching his/her duties;~~
- ~~(iv) recover any monies received by such director, supervisor and senior management member which should have been otherwise received by the Company, including, without limitation, commissions;~~

~~(v) demand payment of the interest earned or may be earned by such director, supervisor and senior management member on the monies that should have been surrendered to the Company.~~

~~Article 154~~ The Company shall enter into contracts in writing with regards to remuneration of its directors and supervisors and obtain prior approval at the general meeting. The foregoing remuneration shall include:

- ~~(i) emoluments in respect of his/her service as a director, supervisor or senior management member of the Company;~~
- ~~(ii) emoluments in respect of his/her service as a director, supervisor or senior management member of a subsidiary of the Company;~~
- ~~(iii) emoluments in connection with the provision of other services for the management of the Company and its subsidiaries;~~
- ~~(iv) funds received by such directors or supervisors as compensation for their loss of office or for their retirement.~~

~~A director or supervisor may not sue the Company for such benefits due to him/her on the grounds of the foregoing matters, except for under such contract as mentioned above.~~

~~Article 155~~ The contract regarding remuneration entered into by and between the Company and its directors and supervisors shall provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payment for loss of their office or for their retirement.

For the purpose of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following occasions:

- ~~(i) anyone makes a tender offer to all the shareholders;~~
- ~~(ii) anyone makes a tender offer to make the offeror become a controlling shareholder as defined in Article 54 of these Articles of Association.~~

If the relevant director or supervisor fails to comply with this Article, any fund received by him/her shall be vested in those persons who have sold their shares as a result of their acceptance of the foregoing offer, and the expenses incurred from the distribution of such fund on a pro-rata basis shall be borne by the relevant director and supervisor and may not be paid out of such fund.

**CHAPTER ~~XV~~XIII FINANCIAL AND ACCOUNTING POLICY AND
PROFIT DISTRIBUTION**

Article ~~156~~140 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, listing rules of the place where the shares of the Company are listed and PRC accounting standards formulated by the State finance authorities.

Article ~~157~~141 The Company shall adopt the Gregorian calendar year for its financial year, i.e. from 1 January to 31 December as a financial year. At the end of each financial year, the Company shall prepare a financial report which shall be audited according to law.

Article ~~158~~142 The Board of the Company shall at each annual ~~general shareholders'~~ meeting submit to shareholders the financial reports prepared by the Company as required by relevant laws, administrative regulations, listing rules of the place where the shares of the Company are listed and normative documents issued by local governments and authorities.

Article ~~159~~ ~~The financial reports of the Company shall be made available at the Company for review by shareholders 20 days before the date of the annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this chapter.~~

~~The Company shall send by prepaid mail a copy of the reports of the Board, together with the balance sheet (including each document as prescribed by regulations to be attached to the balance sheet) and income statement or statement of income and expenditure, or summary of the financial report to each holder of overseas listed foreign shares at least 21 days before the general meeting at the address recorded in the register of shareholders. Subject to the laws, administrative regulations, departmental rules, normative documents and the relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed, the Company may do by way of an announcement (including publication on the website of the Company and/or on newspapers).~~

Article ~~160~~143 The financial statements of the Company shall, in addition to being prepared in accordance with accounting standards and regulations of China, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed. ~~If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards, such discrepancy shall be stated in the notes to financial statements. In distributing its after-tax profits for the relevant financial year, the lower of the after-tax profits presented in the aforesaid two financial statements shall prevail.~~

Article ~~161~~ ~~Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of China, as well as either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed.~~

Article ~~162~~144 The Company shall publish the financial reports twice every financial year, that is, the interim financial report within 60 days after the end of the first six months of a financial year, and the annual financial report within 120 days after the end of the financial year.

Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.

Article ~~163~~145 The Company shall not establish an accounting book other than those required by law. The Company's assets shall not be deposited into any account established in an individual's name.

Article ~~164~~146 The capital reserve fund includes the following:

- (i) any premium from share issuance at the price higher than the par value of shares;
- (ii) any other income designated for the capital reserve fund as required by the competent finance authority under the State Council.

Article ~~165~~147 The Company may distribute dividends in the form of (or a combination of both):

- (i) cash;
- (ii) shares;
- (iii) other means permitted by laws, administrative regulations, departmental rules, and regulatory provisions in the place where the shares of the Company are listed.

Cash dividends and other payments by the Company to holders of domestic shares shall be distributed and paid in Renminbi, whereas those to holders of foreign shares shall be denominated and declared in Renminbi and paid in foreign currency or Renminbi. The foreign currency for the cash dividends and other payments by the Company to holders of foreign shares shall be handled in accordance with state regulations on foreign exchange control.

Article ~~166~~148 The Company shall allocate ten percent of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds fifty percent of the registered capital of the Company.

If the statutory reserve of the Company is insufficient to make up for the losses brought forward from the previous year, profits for the current year shall be applied to make up for such losses before making allocations to the statutory reserve in accordance with the aforementioned requirement.

Upon allocation of the after-tax profits to the statutory reserve, the Company may allocate a part of the after-tax profits to the discretionary reserve as approved by a resolution passed at the ~~general~~ shareholders' meeting.

Upon making up for the losses incurred and allocating to the statutory reserve, the balance of after-tax profits should be distributed to the ordinary Shareholders in proportion to their shareholding, save for distribution which is not made in proportion to shareholding as specified in these articles of association.

If the aforementioned regulations are violated at the ~~general~~ shareholders' meeting where the Company distributes profits to the Shareholders prior to making up for losses and allocating to the statutory reserve, the Shareholders shall return to the Company the profits distributed as a result of violation of the regulations.

The shares of the Company owned by the Company shall not form part of the profits distribution.

Article 167~~149~~ The common reserve fund of the Company shall be applied for compensating the losses, expansion of production and operation, or conversion into the capital of the Company. ~~However, the capital common reserve fund of the Company shall not be used to offset loss of the Company.~~

Where reserve funds are used to make up for the Company's losses, the discretionary reserve funds and statutory reserve funds should be used first; where the losses still cannot be made up, the capital reserve funds may be used in accordance with the requirements.

When the statutory common reserve fund is converted into capital of the Company, the balance of the statutory common reserve fund may not fall below 25 percent of the Company's registered capital prior to such conversions.

Article 168~~150~~ The Company shall appoint a receiving agent for holders of overseas-listed foreign shares. The receiving agent shall receive on behalf of such shareholders any dividends and other amounts payable by the Company to them in respect of the overseas-listed foreign shares.

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

The receiving agent appointed by the Company for holders of overseas listed foreign shares listed in the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 169~~151~~ Shareholders who have been paid up before payment calls by the Company are entitled to dividends. Holders of prepaid shares are not entitled to dividends declared thereafter.

If the power is granted to forfeit any unclaimed dividends, this power may not be exercised until after the expiration of the applicable limitations period.

The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is undelivered and returned.

The Company has the power to sell by a method deemed fit by the Board the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:

- (i) the Company has distributed dividends on such shares for at least three times in 12 years, but none of such dividends are claimed by anybody during the period; and
- (ii) upon expiration of the 12-year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers, and notifies the securities regulatory authority in the place where the shares of the Company are listed.

CHAPTER ~~XVI~~XIV APPOINTMENT OF ACCOUNTING FIRM

Article ~~170~~152 The Company shall engage an independent accounting firm in compliance with the relevant regulations of the PRC to audit the Company's annual financial report and review the Company's other financial reports.

~~The appointment of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual general meeting. The term of such accounting firm shall terminate upon the conclusion of the first annual general meeting.~~

~~In case of failure to exercise such functions and powers at the inauguration meeting provided in the preceding paragraph, the Board shall exercise instead.~~

Article ~~171~~153 The accounting firm appointed by the Company shall hold office commencing from the end of the annual ~~general~~ shareholders' meeting of the Company and expiring upon the end of the next annual ~~general~~ shareholders' meeting.

Article ~~172~~154 The accounting firm appointed by the Company shall have the following rights:

- (i) to inspect at any time the books, records and vouchers of the Company, and to require the directors and senior management members of the Company to provide any relevant information and explanation thereof;
- (ii) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accounting firm;

- (iii) to be present at general meetings and receive all notices of, and other communications relating to, the meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the accounting firm of the Company.

~~Article 173~~ If the position of an accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is convened. However, if other accounting firms are holding the position of the accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

~~Article 174~~ Notwithstanding the terms set out in the contract between the Company and the accounting firm, shareholders at a general meeting may, by way of an ordinary resolution, remove the accounting firm before the expiration of its term of office, but without prejudice to the right of the firm to claim for damages in respect of such removal.

~~Article 175-155~~ The remuneration of the accounting firm or the way in which the firm is to be remunerated shall be determined by the general shareholders' meeting. ~~The remuneration of the accounting firm appointed by the Board shall be determined by the Board.~~

~~Article 176156~~ Appointment, dismissal or non-reappointment of an accounting firm by the Company shall be subject to decisions at the general shareholders' meeting and shall be filed with the securities competent authority under the State Council.

~~Where a resolution is passed at a general meeting concerning the appointment of a new accounting firm to fill the casual vacancy of an accounting firm or reappointment of the retiring accounting firm appointed by the Board to fill a casual vacancy or removal of an accounting firm before the expiration of its term of office, the following provisions shall be complied with:~~

- ~~(i) a copy of the proposal about appointment or removal shall be sent to the accounting firm proposed to be appointed or leave its office or the accounting firm which has left its office in the relevant fiscal year before giving the notice of the general meeting. Leaving a position includes removal, resignation, and retirement.~~
- ~~(ii) if a leaving accounting firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall adopt the following measures (unless the representations are received too late):~~
 - ~~1. in any notice given to shareholders about the resolution to be made, state the representations made by the leaving accounting firm;~~
 - ~~2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.~~

~~(iii) if the relevant accounting firm's representations are not sent in accordance with item (ii) herein, such accounting firm may require that the representations be read out at the general meeting and may lodge further complaints;~~

~~(iv) an accounting firm which is leaving its office shall be entitled to attend:~~

- ~~1. any general meeting relating to the expiry of its term of office;~~
- ~~2. any general meeting to fill the vacancy caused by its removal;~~
- ~~3. any general meeting convened due to its resignation.~~

~~The leaving accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.~~

Article 177~~157~~ A 15 days' prior notice shall be given to the accounting firm if the Company decides to remove or not to renew the appointment. The accounting firm shall be entitled to make representations at a general shareholders' meeting. If an accounting firm resigns from its position, it shall make representations at a general shareholders' meeting whether there has been any impropriety on the part of the Company.

~~An accounting firm may resign its office by depositing a written resignation notice at the legal address of the Company. Resignation of the accounting firm shall become effective on the date of such deposit or such later date stipulated in such notice. Such notice shall contain the following statements:~~

- ~~1. a statement to the effect that there are no circumstances in connection with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;~~
- ~~2. a statement of any circumstances requiring an explanation.~~

~~Where the above notice is deposited, the Company shall within fourteen days send a copy of the notice to the relevant competent authority. If the notice contains a statement under clause 2 aforesaid, a copy of such statement shall be kept at the Company available for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every shareholder of overseas listed foreign shares at the address registered in the register of members.~~

~~If the notice of resignation of an accounting firm contains a statement in respect of any circumstances requiring an explanation, it may require the Board to convene an extraordinary general meeting to receive an explanation of the circumstances in connection with its resignation.~~

CHAPTER XVII MERGER AND DIVISION OF THE COMPANY

Article ~~178~~158 The merger or division of the Company can only be effective upon duly completion of the relevant examination and approval procedures regarding the proposal put forward by the Board of the Company after being passed in accordance with the procedures specified in the Articles of Association. ~~Shareholders objecting to such proposal on the merger or division of the Company are entitled to require the Company or shareholders who are in favor of such proposal on merger or division to purchase their shares at a fair price. The contents of such resolutions on the merger or division of the Company shall be compiled into a special document and made available for shareholders' inspection.~~

~~For shareholders of overseas listed foreign shares, the foregoing documents shall also be served by post.~~

Article ~~179~~159 The merger of the Company may take the form of either merger by absorption or a new consolidation.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a list of assets. The Company shall notify its creditors within 10 days of, and shall make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days of, the date of the Company's resolution on the merger.

The creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the public announcement for those who have not received the notice, be entitled to require the Company to pay off its debts or to provide corresponding security.

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

Article ~~180~~160 In a division, the assets of the Company shall be split in an appropriate manner.

In the event of division of the Company, the parties concerned shall enter into a division agreement and prepare balance sheets and a list of assets. The Company shall notify its creditors within 10 days after the date of the resolution on division and shall ~~make a newspaper announcement~~ an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days.

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

Article ~~181~~161 Where any of the registered items changes due to a merger or division of the Company, the Company shall process the changes of registration with the company registration authority. Should the Company be dissolved, it shall be deregistered according to laws. If a new company is established, it shall go through the registration for company establishment according to laws.

Where the Company increases or reduces its registered capital, the Company shall process the changes of registration with the company registration authority in accordance with the law.

CHAPTER XVIII DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article ~~182~~162 The Company shall be lawfully dissolved and liquidated under any of the following circumstances:

- (i) expiry of the term of operation stipulated in the Articles of Association or occurrence of an event which triggers the dissolution as provided in the Articles of Association;
- (ii) the ~~general~~shareholders' meeting adopts a resolution to dissolve the Company;
- (iii) the Company needs to be dissolved for merger or division;
- (iv) The company's business license has been revoked, ordered to be closed or revoked due to violation of laws and administrative regulations;
- (v) where the Company encounters significant difficulties in business and management, its subsistence may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome by other means, the shareholders who hold more than 10% of the shares of the Company carrying voting rights may request the people's court to dissolve the Company;
- (vi) the Company is declared to be insolvent according to the law because it is unable to pay its debts as they fall due;

The Company may continue in existence by revising these Articles of Association ~~in~~ or a resolution at a shareholders' meeting where any of the circumstances stipulated in paragraph (i) or (ii) of this Article occurs, and the Company has not distributed assets to the shareholders.

The amendment of the Articles of Association or a resolution of the shareholders' meeting under the preceding paragraph must be adopted by two-thirds or more of the voting rights of the shareholders present at a shareholders' meeting.

Article ~~183~~163 Where the Company is dissolved pursuant to items (i), (ii), (iv) and (v) of Article ~~182–162~~ hereof, the Company shall be liquidated. The directors of the Company as the liquidation obligors shall form; a liquidation committee ~~shall be set up~~, within 15 days from the date upon which the cause of dissolution arises, to ~~start conduct~~ the liquidation process. ~~The membership of the liquidation committee shall be determined by the directors or the general meeting are composed of the directors, unless any other person is appointed to the liquidation committee by a resolution of the shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the Company or any creditor, the liquidation obligors are liable in damages.~~ In case no such committee is established to proceed with liquidation in time, ~~the creditors or liquidation is not conducted after the formation of a liquidation committee, an interested person may make application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.~~

If the Company is dissolved pursuant to item (vi) of Article ~~182–162~~ hereof, a liquidation committee comprising shareholders, relevant authorities and relevant professionals shall be established by the people's court in accordance with relevant laws to carry out the liquidation.

Article ~~184~~ ~~If the Board decides to perform the liquidation, other than a liquidation due to the Company's declaration of bankruptcy, it shall state in the notice for convening a general meeting in this regard that a thorough inspection in respect of the Company's status has been made and that all the Company's debts can be settled within twelve months upon commencement of the liquidation.~~

~~The duties and powers of the Board of the Company shall be terminated immediately after the resolution for liquidation is passed at the general meeting.~~

~~In compliance with the instructions of the general meeting, the liquidation committee shall report to the general meeting at least once annually the income and expenses of the committee, the business operations of the Company and the progress of the liquidation, and to make a final report to the general meeting when the liquidation is completed.~~

Article ~~184~~164 The liquidation committee shall notify creditors within 10 days from the date of its establishment and make ~~a newspaper announcement~~ an announcement on a newspaper or the National Enterprise Credit Information Publicity System within sixty days of that date.

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

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

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

Article ~~186~~165 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (i) to liquidate the Company's assets and separately prepare a balance sheet and a list of assets;
- (ii) to notify creditors or issue public announcements;
- (iii) to deal with the Company's outstanding business in relation to the liquidation;
- (iv) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (v) to settle all creditors' rights and debts;
- (vi) to ~~dispose of~~distribute the surplus assets of the Company after its debts have been paid off;
- (vii) to represent the Company in civil lawsuits.

Article ~~187~~166 Upon liquidation of the Company's properties and the preparation of the balance sheet and list of assets, the liquidation committee shall ~~draw up~~develop a liquidation plan to be submitted to the ~~general shareholders'~~ meeting or relevant competent authorities for confirmation.

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

During the liquidation period, the Company is still in existence but shall not commence any business activities not related to the liquidation. No assets of the Company may be distributed to the shareholders before making repayments stipulated in the preceding paragraphs.

Article ~~188~~167 In the event of the Company's liquidation due to dissolution, if the liquidation committee, after liquidating the Company's assets and preparing the balance sheet and list of assets, finds that the Company's assets are insufficient to settle its debts, it shall legally ~~apply to the~~petition a people's court ~~to declare the~~for Company's bankruptcy liquidation.

After the Company is ~~declared bankrupt by a ruling from the people's court~~people's court accepts the petition for bankruptcy, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 168 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and a statement of the receipts and payments and the financial accounts for the liquidation period which shall be submitted submit it to the general shareholders' meeting or the relevant competent authorities people's court for confirmation after being verified by a certified public accountant in the PRC. The liquidation committee shall, within 30 days after the confirmation by the general meeting or the relevant competent authorities, submit the foregoing documents confirmed report to the business registration authority and, apply for cancellation of the Company, and publish an announcement relating to the termination of the Company.

Article 169 Members of the liquidation committee shall be devoted to their duties and perform their obligations of liquidation in accordance with the law.

No members of the liquidation committee may take any bribe or any other illegal proceeds by taking advantage of their position, nor shall they misappropriate the Company's property.

Any member of the liquidation committee who causes losses to the Company or any creditor by intention or due to gross negligence shall be liable for compensation.

CHAPTER XIX ~~XVII~~ PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION

Article 170 The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations, the listing rules of the place where the Company's shares are listed, and its Articles of Association.

~~**Article 191** The amendment of the Articles of Association shall be subject to relevant decision-making procedures and go through necessary formalities in accordance with the provisions of relevant laws, administrative regulations, and the Articles of Association. If an amendment to the Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.~~

Article 171 Where any amendment to the Articles of Association that has been adopted under a resolution of the shareholders' meeting is subject to approval by the competent authorities, such amendment shall be submitted to the competent authorities for approval. If an amendment to the Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.

Article 172 The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on amending the Articles of Association and the opinion provided upon examination by the competent authorities.

Article 173 For any amendment to the Articles of Association for which disclosure is required by any law or regulation, an announcement shall be made in accordance with the applicable provisions.

CHAPTER ~~XX~~XVIII NOTICES AND ANNOUNCEMENTS

Article ~~192-174~~ Subject to laws, regulations, rules, and the relevant requirements of the stock exchange which the Company's shares listed on, the notices of the Company shall be given in the following ways:

- (i) by hand;
- (ii) by mail;
- (iii) by fax or e-mail;
- (iv) ~~by posting on the websites of the Company and a website designated by the Hong Kong Stock Exchange~~ announcement;
- (v) other methods recognized by the relevant regulatory authority of the place where the shares of the Company are listed or stipulated by the Articles of Association.

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

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

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

Article ~~193~~175 Where a notice from the Company is sent out by hand, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the delivery date. Where the notice is sent out via post, the delivery date shall be the 48th hour after such notice is delivered to the post office. Where the notice is sent out by fax or email or published on the website, the delivery date shall be the date when the notice is sent out. Where the notice is sent out by public announcement, the delivery date shall be the first date of publication of such announcement.

Article ~~194~~176 Any notice, document, information or written statement sent to the Company by the shareholders or directors shall be serviced by hand or registered mail to the legal address of the Company.

Article ~~195~~177 For the purpose of proving that any notice, document, information or written statement has been sent to the Company by the shareholders or directors, evidence shall be sufficed to show that such notice, document, information or written statement has been deposited within the period specified for depositing the same by the ways specified in the Articles of Association; in the case of delivery by hand, the receipt confirmation of the Company shall be sufficed; in the case of delivery by registered mail, supporting information showing that the mail has been prepaid and sent to the correct address shall be sufficed.

Article ~~196~~178 When the listing rules of the stock exchange where the Company's shares are listed require the Company to send, mail, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both English and Chinese, if the Company has made appropriate arrangements to confirm whether the Company's shareholders wish to receive the English version only or the Chinese version only, the Company may, to the extent permitted under and in accordance with the applicable laws and regulations, only send the English version or the Chinese version of such documents to the relevant shareholder (in accordance with the intention expressed by the shareholder).

Article 179 Unless otherwise specified in the Articles of Association, the various means of sending notices specified in the preceding paragraph shall apply to the notices of shareholders' meetings, Board meetings and Supervisory Committee meetings convened by the Company.

Article 180 Where a notice is sent by announcement, all relevant persons are deemed to have received the notice once the announcement has been made.

Where the listing rules of the stock exchange where the Company's shares are listed provide otherwise, such provisions shall apply.

CHAPTER XXI SETTLEMENT OF DISPUTES

Article 197 ~~The Company shall abide by the following principles for the settlement of disputes:~~

~~(I) Whenever any disputes or claims arise between (i) the Company and its directors or senior management members; and (ii) holders of overseas listed foreign shares and the Company, holders of overseas listed foreign shares and the Company's directors, supervisors, general manager or other senior management members, or holders of overseas listed foreign shares and holders of domestic shares, in respect of any rights or obligations conferred or imposed by the Articles of Association, the Company Law, any other relevant laws and administrative regulations or the listing rules of the place where the Company's shares are listed concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to the arbitration:~~

~~Where a dispute or claim aforementioned is referred to arbitration, the dispute or claim must be referred in its entirety to arbitration; and any person (being the Company or a shareholder, director, supervisor, general manager or other senior management member of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.~~

~~Disputes in relation to the identification of shareholders or the register of members may not be referred to arbitration.~~

~~(II) A claimant may select arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its arbitration rules.~~

~~Once a claimant refers to a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the claimant.~~

~~If a claimant selects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for hearing to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.~~

(III) ~~If any disputes or claims prescribed in item (I) above are referred to arbitration, laws of the People's Republic of China shall apply, save as otherwise provided in the laws and administrative regulations.~~

(IV) ~~The award of an arbitration body shall be final and conclusive and binding on all parties.~~

CHAPTER ~~XXH~~XIX BY-LAWS

Article ~~198~~181 ~~In~~ Except as provided in Article 127, in the Articles of Association, references to “accounting firm” shall have the same meaning as “auditors”.

Article ~~199~~182 In the Articles of Association, the expressions of “above”, “~~within~~” shall include the figures mentioned whilst the expressions of “more than”, “less than” shall not include the figures mentioned.

Article ~~200~~183 The Articles of Association are written in Chinese. In the event of discrepancies between the Chinese and any other foreign language versions or different versions of the Articles of Association, the Chinese version most recently approved and registered with company registration authority shall prevail.

Article ~~201~~184 Matters not covered in the Articles of Association shall be handled in accordance with the laws, administrative regulations and the relevant provisions of the securities governing authority of the region where the Company's shares are listed in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities, provisions of other regulatory documents and the listing rules of the stock exchange where the Company's shares are listed promulgated from time to time, such laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities and provisions of other regulatory documents and the listing rules of the stock exchange where the Company's shares are listed shall prevail.

Article 185 The appendices to the Articles of Association includes the Procedural Rules for the Shareholders' Meetings, the Procedural Rules for the Board Meetings and the Procedural Rules for the Supervisory Committee Meetings.

Article ~~202~~186 The Articles of Association shall be interpreted by the Board of the Company.

AINNOVATION TECHNOLOGY GROUP CO., LTD**Procedural Rules for the Shareholders' Meetings****CHAPTER I GENERAL RULES**

Article 1 To standardize operating procedures and to maximize the functions of the shareholders' meetings, AInnovation Technology Group Co., Ltd (hereinafter referred to as the "Company") hereby formulated these Rules in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other relevant laws and regulations, as well as the Articles of Association of AInnovation Technology Group Co., Ltd (hereinafter referred to as the "Articles of Association").

Article 2 The shareholders' meeting is the organ of authority of the Company. The Company shall convene the shareholders' meeting strictly in accordance with the relevant provisions of laws, administrative regulations, these Rules and the Articles of Association to ensure that the shareholders can legally exercise their rights.

The Board of the Company shall duly perform its duties and organize the shareholders' meeting in a timely manner. All directors of the Company shall diligently perform their duties, to ensure the normal convening of the shareholders' meeting and the exercise of their functions and powers in accordance with laws.

Article 3 The shareholders' meetings shall exercise their duties and powers within the scope prescribed in the Company Law, the Articles of Association and these Rules.

**CHAPTER II GENERAL PROVISIONS ON
THE SHAREHOLDERS' MEETING**

Article 4 The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with laws.

Article 5 The shareholders' meeting exercises the following powers:

- (I) to elect or replace the directors and to decide on matters relating to the remuneration of such directors;
- (II) to elect and replace the supervisors and to decide on matters relating to the remuneration of such supervisors;
- (III) to consider and approve reports of the Board;

- (IV) to consider and approve reports of the Supervisory Committee;
- (V) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VI) to decide on any increase or reduction of the Company's registered capital;
- (VII) to decide on the Company's issuance of bonds or other securities and listing plans;
- (VIII) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (IX) to decide on the engagement, dismissal or non-reappointment of accounting firms by the Company;
- (X) to amend the Articles of Association;
- (XI) to consider and approve matters relating to the purchases, disposals of material assets (including but not limited to land, building, equipment, equity), which are more than 30% of the latest audited total assets, within one year;
- (XII) to examine the transactions of which the percentage is not lower than 25% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) and all the related transactions of which the percentage is not lower than 5% (including one-off transactions as well as series of transactions of which the percentage shall be calculated jointly) with percentage rates of not less than 25% and 5% respectively in accordance with Rule 14.07 of the Hong Kong Listing Rules;
- (XIII) to review the equity incentive plan;
- (XIV) to consider the proposal of shareholders representing more than 1% of the voting shares of the Company;
- (XV) to review and approve the guarantees stipulated in Article 6;
- (XVI) to consider other matters required to be resolved by the shareholders' meeting pursuant to laws, regulations, the rules of securities regulatory authorities in the place where the Company's shares are listed and the Articles of Association.

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

"Within one year" refers to "within one financial year".

Article 6 The following external guarantees by the Company shall be considered and approved by a shareholders' meeting.

- (I) any guarantee provided after the total amount of external guarantees by the Company and its subsidiaries meets or exceeds 50% of the latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees by the Company meets or exceeds 30% of the latest audited total assets;
- (III) any guarantee provided by the Company within one year exceeds 30% of the Company's latest audited total assets;
- (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 shall be submitted to the shareholders' meeting for consideration as required in the laws, administrative regulations, departmental rules, regulatory documents.

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

"External guarantee" and "guarantees" as mentioned in this article refers to guarantee provided by the Company for others, including guarantee provided by the Company for its holdings subsidiaries. "Total external guarantee of the Company and its holdings subsidiaries" refers to the sum of Company's total external guarantee including the guarantee provided by the Company for its holdings subsidiaries plus the total external guarantee provided by the holdings subsidiaries of the Company.

Without prejudice to the interests of the Company, the provisions of items (I) to (IV) of the first paragraph of this Article can be waived for the guarantees provided by the Company for its wholly-owned subsidiary or the guarantees provided by the Company for its majority-owned subsidiary whose other shareholders also providing equal proportions of guarantees according to their interests.

Article 7 Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with any person (other than a director, supervisor, and senior management members) in relation to handover of the administration of all business or the important business of the Company to that person without the pre-approval of the shareholders' meeting.

Article 8 The general meetings consist of annual shareholders' meetings and extraordinary shareholders' meetings. The shareholders' meetings shall be convened by the Board. The annual shareholders' meeting shall hold once every year within six months from the end of the preceding financial year.

Article 9 The Company shall convene an extraordinary shareholders' meeting within two months upon the occurrence of any of the following events:

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

The number of shares held as described in Item (III) above shall be calculated as per the shares of the Company held by the shareholder on the date when such written request is made by such shareholder.

Article 10 The Company shall hold its shareholders' meetings either at its domicile or other place designated by the convener of the shareholders' meeting.

A meeting venue will be set up for the shareholders' meetings and meetings shall be held in the form of on-site meeting and/or by electronic or other means permitted under laws, regulations and the listing rules of the stock exchange where the Company's shares are listed. The Board of the Company may, according to the specific circumstances and in accordance with the provisions of laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association, where applicable, adopt other voting methods such as Internet or telephone to facilitate the shareholders' participation in the shareholders' meeting. Shareholders who attend the shareholders' meeting in the above-mentioned manner shall be deemed to be present at the meeting. Shareholders (including shareholders attending in person and attending by electronic means) shall be entitled to (a) express their opinions at shareholders' meetings; and (b) vote at shareholders' meetings unless individual shareholders are required by laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association to abstain from voting on individual matters.

CHAPTER III CONVENING OF SHAREHOLDERS' MEETINGS

Article 11 The shareholders' meetings shall be convened by the board of directors. The Supervisory Committee or shareholders may convene the shareholders' meeting on their own initiative, subject to the relevant requirements specified in this chapter.

Independent Non-executive Directors shall have the rights to propose to the board of directors to convene an extraordinary shareholders' meeting. Regarding the proposal requesting to convene an extraordinary shareholders' meeting by the Independent Non-executive Directors, the board of directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company are listed and the Articles of Association.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the board of directors. If the board of directors refuses to convene an extraordinary shareholders' meeting, an explanation shall be made.

Article 12 The Supervisory Committee shall have the rights to propose to the board of directors to convene an extraordinary shareholders' meeting, and such proposal shall be submitted in writing. The board of directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company and the Articles of Association.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Supervisory Committee.

If the board of directors disagrees to convene the extraordinary shareholders' meeting or does not give any written reply within 10 days after receiving the proposal, the board of directors shall be deemed as failing to perform the duty of convening a shareholders' meeting. In such case, the Supervisory Committee may convene and preside over the meeting.

Article 13 Convening of an extraordinary shareholders' meeting at the request of the shareholders shall proceed in accordance with the procedures set forth below:

- (I) shareholders who individually or together hold more than 10% of the Company's shares shall have the right to propose to the Board on convening of an extraordinary shareholders' meeting, and shall do so in writing. The Board shall issue a written feedback on consent or non-consent to convening of the extraordinary shareholders' meeting within 10 days from receipt of the requisition pursuant to the provisions of laws, administrative regulations, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed. The shareholdings referred to above shall be calculated as at the date of request made.
- (II) if the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the approval of relevant shareholders.
- (III) if the board of directors disagrees to convene the extraordinary shareholders' meeting or does not give any written reply within 10 days after receiving the request, shareholders who individually or together hold more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee on convening of an extraordinary shareholders' meeting, and shall do so in writing.

(IV) if the Supervisory Committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after receiving the request and any changes to the original proposal contained in the notice shall be subject to the approval of relevant shareholders.

(V) where the Supervisory Committee fails to issue a notice of convening a shareholders' meeting within 5 days upon receipt of the above written requests, the Supervisory Committee shall be deemed not to convene and preside over a shareholders' meeting, shareholders, for more than 90 consecutive days, individually or collectively holding more than 10% of the voting shares of the Company may convene and preside the meeting on their own. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.

Article 14 Where the Supervisory Committee or shareholders decide to convene a general meeting on their own, it/they shall notify the Board in writing. The shareholding of shareholders who convene the shareholders' meeting shall be no less than 10% before a resolution passed at the shareholders' meeting is announced.

Article 15 The Board and the secretary to the Board should cooperate with the Supervisory Committee or shareholders convening a shareholders' meeting on their own.

Article 16 Necessary expenses arising from convening of a shareholders' meeting by the Supervisory Committee or shareholders shall be borne by the Company.

CHAPTER IV PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETING

Article 17 The contents of the proposals to be raised shall be within the scope of duties of the shareholders' meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations, departmental regulations, normative documents, governing rules of securities which in the place(s) in which the shares of the Company are listed and the Articles of Association.

Article 18 When a shareholders' meeting is convened by the Company, the board of directors, the Supervisory Committee or shareholders individually or jointly holding more than 1% of the shares of the Company are entitled to propose resolutions to the Company.

The shareholders who individually or jointly, hold more than 1% of the total number of voting shares of the Company, have the right to put forward a temporary proposal in written form to the Company and submit it to the convener not less than 10 days before the shareholders' meeting is held. The convener of the shareholders' meeting shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' meeting to inform other shareholders and include the matters which are within the scope of responsibilities of the shareholders' meeting in the agenda of the meeting and submitted to the shareholders' meeting for deliberation.

Except for the circumstances prescribed in the preceding paragraph, the convener shall not change the proposals specified in the notice of the shareholders' meeting or add new proposals after sending the notice of the shareholders' meeting.

The proposals that have not been set out in the notice of the shareholders' meeting or supplementary notice or that do not comply with Article 17 of these Rules, shall not be voted on or resolved at the shareholders' meeting.

Article 19 The convener of the annual shareholders' meeting will notify all shareholders of the time, place and deliberation matters 21 days before the meeting is held. The convener of the extraordinary shareholders' meeting will notify all shareholders 15 days before the meeting is held.

Article 20 A notice of the general meeting shall meet the following requirements:

- (I) it shall be in written form;
- (II) it shall specify the time, place and duration of the meeting;
- (III) it shall state the matters and proposals to be discussed at the meeting;
- (IV) it shall contain a clear written statement that all shareholders shall be entitled to attend the shareholders' meeting and to appoint proxy(ies) to attend and vote at the meeting on his/her behalf and that such proxies need not to be shareholders of the Company;
- (V) shall state the names and telephone numbers of the standing contact persons for the meeting;
- (VI) other matters stipulated under the laws and regulations or the listing rules of the stock exchange where the Company's shares are listed.

Article 21 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

CHAPTER V THE CONVENING OF SHAREHOLDERS' MEETING

Article 22 The Company shall convene a shareholders' meeting at the address of the Company or the venue designated by the convener of the shareholders' meeting.

Article 23 The Board and other convenors shall adopt the requisite measures to ensure normal order of a shareholders' meeting. Measures shall be adopted to stop any disruption of the shareholders' meeting or trouble-making and infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and punishment.

Article 24 A shareholder may attend the shareholders' meeting and exercise his/her voting rights personally, or appoint a proxy to attend the meeting and exercise his/her voting rights on behalf within the scope of authorization.

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his/her proxy to attend and vote on his/her behalf.

A proxy so appointed shall be entitled to, in accordance with the authorization from that shareholder, exercise the same rights as other shareholders could exercise, including but not limited to the following rights:

- (I) the shareholder's right to speak at the shareholders' meeting;
- (II) the right to demand, whether on his own or together with others, a poll;
- (III) to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote on a poll.

Article 25 All shareholders of the Company (or their proxies) shall have the right to attend a shareholders' meeting, and shall not be refused by the Company and the convenor on any grounds.

Shareholders shall present their share certificate, identity card or any other valid proof of identity to attend a shareholders' meeting. Their proxy shall also present the power of attorney executed by the shareholder and a valid personal identity document.

The convenor shall verify the legitimacy of shareholders' qualifications based on the valid register of members, and register the name of shareholders and the number of shares with voting rights held by them. Registration for the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies present at the meeting and the total number of shares with voting rights held by them.

Article 26 The instrument appointing a proxy by a shareholder shall be in writing and signed by the appointer or his attorney duly authorized in writing, or if the appointer is a legal person either under seal or signed by its directors or personnel or attorney duly authorized.

Article 27 A proxy form issued by a shareholder who authorizes a proxy to attend the shareholders' meeting on its/his behalf shall contain the following details:

- (I) name of the proxy;
- (II) whether the shareholder is authorized to vote;
- (III) respective instructions on affirmative, negative or abstention voting on each item for deliberation listed in the shareholders' meeting agenda;
- (IV) the issuance date and the valid period of the proxy form;
- (V) the signature (or seal) of the shareholder.

Article 28 The proxy form shall be deposited at least 24 hours prior to convening of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the domicile of the Company or such other place as the notice of meeting may specify. If the proxy form is signed by a person authorized by the appointer, the powers of attorney or other instruments of authorization shall be notarized. The powers of attorney or other instruments of authorization so notarized shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify at the same time as the proxy form is so deposited.

If the appointer is a legal person, such shareholder shall be represented at the shareholders' meeting of the Company by its legal representative or the person authorized by its Board of Directors or other decision-making body of such appointer.

Article 29 The proxy form issued by the Board of the Company to the shareholder for the appointment of proxies shall freely allow the shareholder to instruct his/her proxy to vote as he/she sees fit (voting in the affirmative or negative), and to give separate instructions for each resolution that will be voted at the meeting.

The proxy form should indicate that the proxy may vote at his/her discretion if no instructions have been given by the shareholder.

Article 30 A vote given by the proxy in accordance with the proxy form shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given before the voting, provided that no notice in writing of such matters shall have been received by the Company before the commencement of the meeting.

Article 31 The Company shall prepare a meeting register of attendees recording, among others, the names of the persons (the name of the entity) attending the meeting, their identity card numbers, residential addresses, the number of voting shares held or represented by them, and the names of shareholders (the name of the entity) with proxies.

Article 32 The shareholders' meeting shall be convened by the Board, the chairman of which shall also act as the chairman of the meeting. If the chairman of the Board fails or is unable to perform his or her duties, a director jointly elected by more than half of the directors shall act as the chairman of the meeting.

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

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

When a shareholders' meeting is held and the chairman violates the procedural rules in a way that makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights. If for any reason, the shareholder is unable to elect the chairman, the shareholder holding the most voting shares among the attending shareholders (including shareholder proxy) shall act as the presider.

Article 33 At the annual shareholders' meeting, the Board and the Supervisory Committee shall report on their work in the previous year.

Article 34 Directors, supervisors, and senior management members shall explain with respect to the inquiries and suggestions raised by shareholders at the shareholders' meeting, except those involving the Company's trade secrets which cannot be disclosed at the shareholders' meeting.

Article 35 Minutes shall be prepared for shareholders' meetings by the secretary to the Board. The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and name of the convener;
- (II) The name of the chairman of the meeting and the names of the directors, supervisors, general manager and other senior management attending or present at the meeting;
- (III) The numbers of shareholders (including holders of domestic shares, unlisted foreign shares (if any)) and overseas-listed shares and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations (if any);
- (VI) Names of vote counters and scrutinizer of the voting;
- (VII) Other contents to be included as specified in the Articles of Association.

Article 36 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners or his/her representative and the chairman of the meeting shall sign on the minutes.

CHAPTER VI VOTING AND RESOLUTIONS AT SHAREHOLDERS' MEETINGS

Article 37 Resolutions of a shareholders' meeting are classified into ordinary resolutions and special resolutions.

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

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

Article 38 Shareholders (including their proxies) who vote at a shareholders' meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, the shares held by the Company itself do not have voting rights, and such shares are not included in the total number of shares with voting rights attending the shareholders' meeting.

When any shareholders' meeting considers matters related to related-party transactions, if the applicable laws and regulations or the listing rules of the stock exchange where the Company's shares are listed require, the related shareholder shall not vote and the number of voting shares that he represents shall not be counted as part of the total number of valid votes.

Article 39 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 40 Where applicable laws and regulations or Hong Kong Listing Rules requires any shareholder to abandon his or her voting on specific resolution or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

Article 41 The shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall not be set aside or refused at the shareholders' meeting.

Article 42 The following matters shall be passed as ordinary resolutions in a shareholders' meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans proposed by the Board;
- (III) appointment and dismissal of the directors and supervisors and their remuneration and payment methods;
- (IV) the removal of a director (including an executive director) of the Company whose term of office has not expired, except as otherwise provided by law, administrative regulations or regulatory requirements; provided that such removal shall be without prejudice to any claim for damages under any contract by such director;

- (V) annual balance sheet, profit and loss statement and other financial statement of the Company;
- (VI) annual reports of the Company;
- (VII) resolutions to appoint, remove or not to renew an appointment of the Company's accounting firm;
- (VIII) external guarantee stipulated in Article 6 of these Rules (excluding item (II) in paragraph I);
- (IX) matters which shall be approved by a shareholders' meeting other than those required to be passed as special resolutions pursuant to laws, administrative regulations, listing rules of the places where the Company's shares are listed or the provisions of the Articles of Association.

Article 43 The following matters shall be passed as special resolutions in a shareholders' meeting:

- (I) increase or reduction in the share capital of the Company and issuance of shares of any class, warrants and other similar securities; The matter on buy-back of the Company's shares by the Company to be submitted to the shareholders' meeting for consideration in accordance with the provisions of the Articles of Association;
- (II) issuance of bonds by the Company;
- (III) division, merger, dissolution, liquidation or change of corporate form of the Company;
- (IV) amendments to the Articles of Association;
- (V) reviewing the matters involving the purchase, sale of material assets (including but not limited to lands, properties, equipment, and equities) or guarantee within one year which accounts for more than 30% of the audited total assets of the Company in the latest period;
- (VI) equity incentive plan;
- (VII) other matters specified by laws, administrative regulations, listing rules of the places where the Company's shares are listed, or the Articles of Association or matters specified by ordinary resolutions of a shareholders' meeting that are considered to be significant to the Company and shall be passed as special resolutions.

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

Article 44 The convener shall ensure that the shareholders' meeting is held continuously until final decisions are made. Where the shareholders' meeting is suspended or a decision cannot be made due to force majeure or other special circumstances, necessary procedures should be taken as soon as possible to resume the meeting or to directly terminate that meeting, and an announcement should be made in a timely manner. Except for such circumstances, the shareholders' meeting shall not set any proposal aside or fail to vote on any proposal.

Article 45 The shareholders' meeting shall not modify any proposal in the course of deliberation. Any modified proposal shall be deemed as a new one and shall not be voted at the present shareholders' meeting.

Article 46 The first voting result shall prevail in the case of repeated voting with the same voting right.

Article 47 The shareholders' meeting shall vote by open ballot.

Article 48 Shareholders who attend the shareholders' meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.

Article 49 The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the shareholders' meeting has been passed in accordance with the voting results. His/her decision shall be final and shall be announced at the meeting and recorded in the meeting minutes.

Article 50 If the chairman of the meeting has any doubts about the voting result of a proposed resolution, he/she may arrange to recount of the votes. If the chairman of the meeting does not arrange re-counting of the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

Article 51 If ballots are counted at a shareholders' meeting, the counting results shall be recorded in the minutes of the meeting. The minutes together with the attendance record of shareholders, the powers of attorney of the proxies and valid record of other means of voting, shall be kept at the domicile of the Company for a period of not less than 10 years.

Article 52 Before the official announcement of the voting result, all relevant parties involved in the on-site shareholders' meeting or other voting methods, including the companies/institutes, vote counters, scrutineers and major shareholders shall keep confidentiality of the voting details.

Article 53 Shareholders shall be obligated to maintain the confidentiality of the convening of the shareholders' meeting, the meeting minutes, and the resolutions adopted at the meeting.

Article 54 Where the shareholders' meeting approves proposals related to the election of directors or supervisors, the newly elected directors and supervisors shall assume office in accordance with the provisions of the Articles of Association.

Article 55 Where any resolution of the shareholders' meeting of the Company violate any law or administrative regulation, the shareholders shall have the right to request the people's court to invalidate such resolution.

Where the convening procedure or voting method for the shareholders' meeting violate any law, administrative regulation or the Articles of Association, or any resolution thereof violates the Articles of Association, the shareholders may request the people's court to cancel the resolution within 60 days of the date on which the resolution is made, unless there is only a minor defect in the convening procedure or the voting manner for the shareholders' meeting or Board meeting, which does not have any substantive effect on the resolution.

CHAPTER VII CONCLUSION AND OTHER MATTERS

Article 56 Upon the completion of the deliberation of all agenda items, the adoption of resolutions, and the necessary notifications by relevant personnel, the meeting chairman may declare the conclusion of the shareholders' meeting.

Article 57 If the meeting cannot proceed due to force majeure or other significant reasons, the meeting chairman may also declare the conclusion of the meeting.

Article 58 Attendees shall strictly observe meeting discipline, refrain from disrupting order, and shall not interfere with the proper proceedings of the meeting.

For those who disrupt order or are otherwise deemed unfit to attend, the meeting chairman has the right to order their removal. If they refuse to comply, the chairman may instruct security personnel to enforce their removal.

CHAPTER VIII BY-LAWS

Article 59 Any matters not covered in these Rules or any conflicts between these Rules and laws, regulations, normative documents, or the Articles of Association promulgated or amended after the effectiveness of these Rules shall be governed by the provisions of such laws, regulations, normative documents, or the Articles of Association.

Article 60 In these Rules, the expressions of “above” shall include the figures mentioned whilst the expressions of “more than” and “less than” shall not include the figures mentioned.

Article 61 Unless otherwise specified, terms used in these Rules shall have the same meanings as those defined in the Articles of Association.

Article 62 These Rules shall be interpreted by the Board.

Article 63 The Board may amend these Rules in accordance with applicable laws, administrative regulations, other normative documents, and the actual circumstances of the Company, subject to approval by the shareholders' meeting.

Article 64 These Rules shall become effective and be implemented upon approval by the shareholders' meeting.

AINNOVATION TECHNOLOGY GROUP CO., LTD**Procedural Rules for the Board Meetings****CHAPTER I GENERAL RULES**

Article 1 For the purpose of further improving and standardizing the corporate governance structure, protecting the Board to exercise its functions and powers legally on an independent, standard and effective basis, and ensuring the smooth operation and management of the Company, AInnovation Technology Group Co., Ltd (hereinafter referred to as the “Company”) formulates these rules (hereinafter referred to as the “Rules”) in accordance with the Company Law of People’s Republic of China (hereinafter referred to as the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), as well as other relevant laws and regulations, and the relevant provisions of the Articles of Association of AInnovation Technology Group Co., Ltd (hereinafter referred to as the “Articles of Association”), considering the actual situation of the Company.

Article 2 The Board is a standing decision-making body of the Company, responsible for and reporting on the work of the shareholders’ meetings, exercising its functions and powers within the terms of reference as stipulated under the laws, administrative regulations, rules, articles of association and shareholders’ meetings, and safeguarding the legitimate rights and interests of the Company and its shareholders.

Article 3 The purpose of the Rules is to standardize the procedures of meetings of the Board of the Company, and enhance the work efficiency of the Board and its scientific decision-making capacity.

CHAPTER II BOARD COMPOSITION

Article 4 The Board shall consist of seven directors, in which there shall be three independent non-executive directors. The Board shall have one chairman. The chairman shall be appointed and could be removed by a majority of all members of the Board. The chairman shall serve a term of three years subject to re-election.

Article 5 Directors shall be elected and replaced at shareholders’ meetings and serve a term of three years. A Director may serve consecutive terms if re-elected upon the expiration of his/her term.

The term of office of a director shall commence from the date of him/her assuming office until the expiry of the term of the prevailing session of the Board. Where a director has not been timely re-elected at the expiry of the term of office, or where a director has resigned during the term of office resulting that the number of the members in the Board falls below the quorum, the original director shall perform his/her duties as a director, prior to the assumption by the re-elected director, in accordance with the laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company’s shares are listed and the provisions of the Articles of Association.

Subject to the relevant laws and regulations and regulatory rules in the PRC and the places where the Company is listed, any person appointed by the Board as a director to fill the casual vacancy of the Board or to add to the Board shall hold office only until the first general meeting of the Company after his/her appointment and shall then be eligible for re-election.

Any unexpired director can be removed before the expiration of his/her term of office by an ordinary resolution passed at a shareholders' meeting, subject to full compliance with the relevant laws and administrative regulations and the Listing Rules of stock exchanges. Such removal does not affect the rights of such director to make any claim under any contract.

A manager or any other senior management member may concurrently serve as a director, provided that the total number of directors serving as managers or other senior management member and the directors who are employee representatives (if any) does not exceed 50% of the total number of the Company's directors.

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

Article 6 All Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the next shareholders' meeting after their appointment.

Article 7 If any director fails to attend in person or appoint another director as his/her representative to attend the Board meeting two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board shall propose to replace such director at the shareholders' meeting.

Article 8 A director may submit his/her resignation before the expiry of his/her term of office. Where a director resigns, he/she shall submit a written resignation report to the Board.

Article 9 When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the Board. His/her duty of loyalty to the Company and shareholders does not automatically terminate on the expiration of his/her term of office and shall remain in force for a reasonable period specified in the Articles of Association.

Article 10 Unless provided by the Articles of Association or legally authorized by the Board, no director shall act on behalf of the Company or the Board. When a director acts in his/her own name and a third party reasonably considers such director acts on behalf of the Company or the Board, such director shall declare in advance his/her position and capacity.

Article 11 Any director who violates laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties and thereby causes losses to the Company shall be liable for compensation.

CHAPTER III FUNCTIONS AND POWERS OF THE BOARD

Article 12 The Board shall be accountable to the shareholders' meeting and perform the following duties and powers:

- (I) to convene the shareholders' meeting and report its performance at the shareholders' meetings;
- (II) to implement resolutions adopted at the shareholders' meetings;
- (III) to make decisions on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plans and loss recovery plans;
- (V) to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of bonds or other securities and listing plans;
- (VI) to formulate the plans for material acquisition, repurchase of the Company's shares, merger, division, dissolution and other changes in the corporate form of the Company;
- (VII) to determine the establishment of internal management departments of the Company;
- (VIII) to appoint or dismiss the general manager, the Board Secretary and the Company Secretary of the Company, and determine the remuneration matters, and to appoint or dismiss the deputy general manager, financial officer and other senior management members of the Company as nominated by the general manager and to determine their remunerations;
- (IX) to formulate the basic management system of the Company;
- (X) to formulate the proposals for any amendment to the Articles of Association;
- (XI) to authorize the chairman or general manager to exercise some of the duties and powers of the Board;
- (XII) to consider and approve (1) share transactions with all percentage ratios of less than 5% and the consideration including shares to be issued for listing (including one-off transactions and a series of transactions that require a combined calculation of the percentage ratios), (2) disclosable transactions with all percentage ratios of 5% or more but less than 25% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules; and (3) partially exempt connected transactions and non-exempt connected transactions with all percentage ratios (except profits ratio) of higher than 0.1% but lower than 5% (including one-off transactions and a series of transactions that require the combined calculation of the percentage ratios), calculated in accordance with the percentage ratio requirements of Rule 14.07 of the Hong Kong Listing Rules.

- (XIII) the investment, purchase and disposal of assets, asset mortgage, consigned financial management and financing which shall be submitted to the Board for determination in accordance with the listing rules of the stock exchange of the place(s) in which the shares of the Company are listed;
- (XIV) to formulate the incentive stock option plan of the Company;
- (XV) to prepare the proposal on the amount and payment method of the emoluments of directors and to submit it to the shareholders' meeting for decision;
- (XVI) to manage the information disclosure of the Company;
- (XVII) to propose at shareholders' meetings for the appointment or change of accounting firm conducting auditing for the Company;
- (XVIII) to decide on such major matters and administrative affairs other than those ought to be decided by the shareholders' meeting of the Company as specified in the laws, administrative regulations, rules and regulations of the authorities and these Articles of Association of the Company;
- (XIX) to review and approve provision of external guarantees by the Company, other than the guarantees which are subject to review and consideration at a shareholders' meeting in accordance with Article 48 of the Articles of Association;
- (XX) to hear the general manager's work report and to inspect the manager's work;
- (XXI) other duties and powers stipulated by laws, administrative regulations, departmental rules and regulations, listing rules of the places where the Company's shares are listed, the provisions of the Articles of Association or the shareholders' meeting.

Except for the Board resolutions in respect of the matters otherwise required by laws, regulation or the Articles of Association, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one-half of the directors.

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

Article 13 The Company's Board shall explain to the shareholders' meeting on the modified opinion issued by a certified public accountant for the Company's financial reports.

CHAPTER IV CONVENING AND NOTIFICATION PROCEDURES OF THE BOARD MEETING

Article 14 Meetings of the Board shall be classified into the regular meetings of the Board and extraordinary meetings of the Board.

At least four Board meetings shall be convened each year, among which there are two regular Board meetings. Board meetings shall be convened by the chairman of the Board. The meeting notice of regular Board meetings shall be served on all directors and supervisors at least fourteen days before the meeting (excluding the day of the meeting). The Board shall have arrangements to ensure that all directors have the opportunity to put forward matters for discussion to be included in the agenda of the regular Board meetings. The Board meeting information shall be delivered to all directors before three days before convening of the meeting (excluding the date on which the meeting is convened).

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

Article 15 The chairman of the Board shall convene and preside over Board meetings. If the chairman of the Board of the Company is unable to perform his or her duties or fails to perform his or her duties, a director elected by at least one-half of the directors shall perform such duties.

Article 16 The notice of board meeting and extraordinary board meeting shall be served in writing to all directors and supervisors by hand, mail, e-mail, or facsimile five days before the date of the meeting. However, if an extraordinary meeting of the Board needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or, other oral methods, provided that the convener gives an explanation thereof at the meeting.

Article 17 Except for the extraordinary meeting of the Board under urgent circumstances, the notice of board meeting shall be served by hand or e-mail, facsimile, and other means.

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

- (I) the date and venue of the meeting;
- (II) the duration of the meeting;
- (III) the reason for the meeting and matters to be considered at the meeting;
- (IV) the date of issuance of the notice.

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

Article 18 The chairman of the Board shall convene an extraordinary board meeting within ten days after received the proposal in one of the following circumstances:

- (I) proposed by shareholders holding more than one-tenth of the voting rights;
- (II) proposed by more than one-third of the directors;
- (III) proposed by more than a half of independent non-executive directors;
- (IV) proposed by the general manager or the Supervisory Committee;
- (V) considered necessary by the chairman;
- (VI) other circumstances stipulated by the Articles of Association.

Article 19 In case the extraordinary board meeting is held pursuant to the proposal stipulated in the preceding paragraph, the written proposal signed (sealed) by the proposer shall be submitted directly to the chairman of the Board. The written proposal shall specify the following:

- (I) Proposers' names or titles;
- (II) Proposal reasons or objective causes on which the proposal is based;
- (III) Time or time limit, location and methods of the convening of the meeting proposed;
- (IV) Explicit and specific proposals;
- (V) Contact information of the proposer and proposed date, etc.

The content of the proposals shall belong to the matters within authority of the Board stipulated in the Articles of Association, and shall be submitted together with the data related to the proposal.

In case the chairman of the Board thinks the proposal contents are indefinite, unspecific or relevant data is insufficient, he may request the proposer to make revision or complement.

Article 20 The following persons or institutions may submit proposals to the Board in accordance with the laws, administrative regulations, rules and regulations, the Articles of Association and other relevant provisions:

- (I) more than one-third of the directors;
- (II) the chairman;
- (III) the general manager;
- (IV) more than a half of independent non-executive directors;

(V) the Supervisory Committee;

(VI) shareholders holding more than one-tenth of the voting rights;

(VII) specialised committees established by the Board.

Article 21 If, after the written notice of a regular Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals to the meeting, a written notice of change shall be sent 3 days before the original designated date for convening the meeting, to explain why and provide relevant materials. Where the notice of change is sent in less than 3 days in advance, the date of meeting shall be postponed accordingly or the meeting shall be held on schedule upon approval by all directors who will attend the meeting.

If, after the notice of an extraordinary Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals for the meeting, then it shall be necessary to seek the prior consent of all directors who will attend the meeting and make relevant records.

CHAPTER V PROCEDURE OF CONSIDERATION AND VOTING OF THE BOARD

Article 22 Meetings of the Board may be held only if more than one-half of the directors are present.

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

Supervisors may attend meetings of the board of Directors. The meeting presider may notify other relevant personnel to attend the Board meeting if deemed necessary.

Article 23 Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has any interest in the subject matter of the board meeting, such director shall abstain from the meeting, and his/her voting rights shall be withdrawn. Where any director of the Company has any related-party relationship with any enterprise or individual involved in the matter to be decided at the Board meeting, such director shall submit a written report to the Board in a timely manner. Such directors shall not be counted in the quorum of the meeting. Where any Director is required to abstain from voting, the relevant meeting of the Board may be held when more than half of the uninterested Directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested Directors. If the number of uninterested Directors attending the meeting is less than 3, the relevant proposal shall not be voted and shall be submitted to the shareholders' meeting for review.

Article 24 Meetings of the Board shall be attended by the directors in person. If a director is unable to attend a meeting for any reason, he/she shall appoint another director in writing to attend the meeting on his/her behalf. Such an instrument of appointment shall specify the names of the proxy, the issues, the scope of the authorization granted by the principal, and the term of validity of the appointment and with the principal's signature or seal.

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

Article 25 Such an instrument of appointment shall specify:

- (I) the names of the principal and proxy;
- (II) the scope of authorization;
- (III) the duration of the authorization;
- (IV) instructions about voting intent in relation to proposals;
- (V) signature of the principal, date, etc.

The proxy Director shall present the written power of attorney to the presider, and explain proxy attendance in the attendance book. Where any Director signs the regular reports by proxy, the said Director shall specify such authorization in the power of attorney and exercise rights as granted by the principal. If a Director fails to attend a Board meeting either in person or by proxy, the said Director shall be deemed as having waived his right to vote at the meeting.

Article 26 Proxy attendance at Board meetings shall follow the principles below:

- (I) An independent non-executive Director shall not appoint a non-independent non-executive Director to attend the meeting on his/her behalf, and a non-independent non-executive Director shall also not accept the appointment of an independent non-executive Director;
- (II) One Director shall not accept appointment by more than two Directors, and a Director shall also not appoint any other Director who has been appointed by two other Directors to attend the meeting and vote on his behalf.

Article 27 All resolutions at the Board meeting were voted by registered poll.

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

If the Board meeting is held by means of correspondence, directors shall send the votes in accordance with the manner, deadline, and address specified in the notice of the meeting. Failure to send the votes as specified above shall be deemed as an abstention.

Where the meeting is held onsite, the presider shall announce the statistics onsite; in other circumstances, the chairperson shall require the Secretary of the Board to announce the voting result in the same working day immediately following the prescribed voting deadline.

The ballots casted by Directors after the presider announced the voting result or after the prescribed voting deadline shall not be counted.

Where the directors cannot sign the resolutions made at a telephone meeting or video meeting in real time, they may give a verbal vote first and responsively affix the written signature thereof. The verbal vote by a director shall have the same effect as the written signature, provided that there is no discrepancy between the opinions expressed by such director in completing the written signature and the opinions orally expressed by him during the meeting. If there is a discrepancy between the two, the opinions orally expressed shall prevail.

If a Board meeting is held via circulation of written proposal, directors or proxies thereof shall write down their opinions of pros or cons. Once the number of directors voting in favor of the proposal has reached the quorum necessary for resolving on the proposal as specified in the Articles of Association, such proposal shall be passed as a resolution of the Board.

Article 28 Upon the convening of a Board meeting, the Chairman or the presider of the meeting shall first announce the topics, and arrange the discussion in accordance with the agenda of the meeting. The Chairman or the presider of the meeting is entitled to determine the discussion time of each topic, whether to stop the discussion, whether to move on to the next issue, etc. The Chairman or the presider of the meeting shall earnestly preside over the meeting, listen fully to the directors present at the meeting, control the procedure of the meeting, saving the time, and improve the efficiency of discussion and the rationality of decision-making.

Article 29 In the event of an emergency requiring this meeting of the Board to deliberate on a proposal not included in the notice of the Board meeting, the Chairman shall submit the temporary proposal for a vote on whether it should be considered at the meeting. The proposal may only be deliberated if approved by a majority of the Directors present at the meeting. If a resolution is required, any proxy who has not received prior voting authorization from the principal for the newly added proposal and is unable to obtain such authorization before the vote shall not have the votes cast on the relevant proposal counted as valid.

With the unanimous consent of all Directors, proposals may be added or amended.

Article 30 Based on the agenda and needs of the meetings, the Board can invite other persons relating to the topics of the meeting to brief relevant situations or listen to relevant opinions. Such persons who are not Directors shall not be involved in the discussion of Directors, or affect the progress, voting or resolution of the meeting.

Article 31 The presider of the meeting shall ask the Directors attending the Board meetings to provide definite opinions on respective proposals.

The presider of the meeting shall stop any director from hindering the normal progress of the meeting or disrupting the speech of other directors.

Article 32 When reviewing relevant matters or proposals or voting, directors attending the Board meeting shall adopt an attitude of seriousness and responsibility to the Company, express advice and opinions sufficiently in relation to the matters discussed, and bear responsibility in relation to his/her own votes.

Article 33 The presider of the meeting shall propose to the directors present at the meeting to vote after thorough discussion of every proposal, where appropriate.

A Director may cast an affirmative, a negative or an abstention vote. Each attending Director shall indicate his/her intention by choosing one of the above options. The presider of the meeting shall request the Director who fails to choose any of the above or has chosen two or more of the above to vote again, and refusal to do so shall be regarded as having abstained from voting.

Article 34 A Director attending the Board meetings who withdraws midway shall explain the reason to the chairman and ask for leave and can only withdraw with the approval of the chairman. The Director may submit a written voting opinion on the remaining resolutions to the chairman or entrust other Directors in writing to exercise the voting rights on his/her behalf. A Director attending the Board meetings withdraws midway without authorization, and the Director's voting on the remaining resolutions shall be deemed to have abstained.

Article 35 The presider of the meeting shall require the subject matter to be postponed for voting at the meeting if more than half of the directors or more than two independent non-executive directors present at the meeting consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including inadequate meeting materials.

The Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of the subject proposal.

CHAPTER VI THE BOARD RESOLUTIONS AND MINUTES

Article 36 Audio records may be made where necessary for the whole process of the Board meetings held on-site, via video or telephone and by other means.

Article 37 The minutes of the Board meetings shall record the actual situation of the meeting completely and accurately as well as the opinions and suggestions of the Directors attending the meeting.

Article 38 Draft and final versions of minutes of the Board meetings should be sent to all Directors for their comment and records respectively, in both cases within a reasonable time after the meeting is held.

The attending Directors shall sign the minutes, resolutions and summary of the meeting in person or on behalf of the Directors appointing them to attend the meeting. The Board Secretary and the record keeper shall sign to confirm the minutes of the meeting. Where the Directors disagree over the minutes, resolutions and summary of the meeting, they may attach written remarks when signing the same.

Where any Director neither signs as per the preceding paragraph nor provides his different opinions in writing, the said Director shall be deemed as agreeing with the minutes and resolutions.

Article 39 Archives of board meetings, including notices of meeting, meeting materials, attendance book, power of attorney for attendance by proxy, voice recording of meeting, ballots, meeting minutes signed by the attending directors for confirmation, meeting summaries, resolution records, etc., shall be kept by the secretary of the Board. Such minutes shall be available for inquiry at any reasonable time upon reasonable notice by any director.

The minutes of Board meetings shall be kept as archives of the Company for no less than ten years.

Article 40 The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association or resolutions of the shareholders' meeting, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his/her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability.

CHAPTER VII BY-LAWS

Article 41 Any matters not covered in these Rules or any conflicts between these Rules and laws, regulations, normative documents, or the Articles of Association promulgated or amended after the effectiveness of these Rules shall be governed by the provisions of such laws, regulations, normative documents, or the Articles of Association.

Article 42 In these Rules, the expressions of "above", "within" shall include the figures mentioned whilst the expressions of "more than" and "less than" shall not include the figures mentioned.

Article 43 Unless otherwise specified, terms used in these Rules shall have the same meanings as those defined in the Articles of Association.

Article 44 These Rules shall be interpreted by the Board of the Company.

Article 45 The Board may amend these Rules in accordance with applicable laws, administrative regulations, other normative documents, and the actual circumstances of the Company, subject to approval by the shareholders' meeting.

Article 46 These Rules shall become effective and be implemented upon approval by the shareholders' meeting.

AINNOVATION TECHNOLOGY GROUP CO., LTD**Procedural Rules for the Supervisory Committee****CHAPTER I GENERAL RULES**

Article 1 In order to further enhance the supervisory mechanism of AInnovation Technology Group Co., Ltd. (the “Company”) and clarify the responsibilities and authorities of the Supervisory Committee, as well as to standardize its internal structure and operational procedures and fully leverage its supervisory and management functions, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other relevant laws and regulations, as well as the provisions of the Articles of Association of AInnovation Technology Group Co., Ltd. (the “Articles of Association”).

Article 2 The Supervisory Committee is a standing supervisory body of the Company, and is accountable to the shareholders’ meeting and reports to it. In accordance with the Company Law and other relevant laws, regulations, and the provisions of the Articles of Association, the Supervisory Committee shall supervise the lawfulness and compliance of the Company’s finance affairs, and the performance of duties by the directors, general manager and other senior management and protect the legitimate rights and interests of the Company and its shareholders.

Article 3 The Supervisory Committee shall, in accordance with laws, administrative regulations, and the provisions of the Articles of Association, faithfully discharge supervisory duties.

CHAPTER II COMPOSITION OF THE SUPERVISORY COMMITTEE

Article 4 The Supervisory Committee consists of three supervisors. The Supervisory Committee shall have a chairman. The term of office of a supervisor is three years. Upon expiration of the term of office, the supervisors can be re-elected and re-appointed.

The chairman of the Supervisory Committee shall be appointed or dismissed by the votes of more than a half of the members of the Supervisory Committee.

Article 5 The supervisors shall be the representatives of shareholders and employees of the Company. The ratio of the employee representative Supervisors shall be no less than one-third. The employee representative supervisors shall be elected by the representative staff and workers congress, the staff and workers congress, or other forms of a democratic election. The supervisors acted by the representatives of shareholders shall be elected, changed and removed by the shareholders' meeting.

Directors and senior management shall not act as supervisors.

Article 6 Supervisors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the obligations of loyalty and diligence to the Company. They shall not take any bribe or other illegal gains by taking advantage of their authority, nor shall they misappropriate the Company's property.

Article 7 Supervisors shall have expertise or experience in law, accounting and other relevant fields. The composition and structure of the Supervisory Committee shall ensure that the Supervisory Committee can independently and effectively conduct supervision and inspection over the directors, general managers and other senior management, as well as the financial affairs of the Company.

Article 8 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 9 Supervisors may sit at the Board meetings and raise inquiries or suggestions on resolutions to be resolved by the Board.

Article 10 No supervisor may take advantage of his/her connected relationships to damage the Company's interests and, where any loss is incurred as a result of any such violation, shall be liable for compensation.

CHAPTER III FUNCTIONS, POWERS, AND SUPERVISORY DUTIES OF THE SUPERVISORY COMMITTEE

Article 11 The Supervisory Committee shall be accountable to the shareholders' meeting and exercise the following functions and powers in accordance with the law:

- (I) to check the financial affairs of the Company;
- (II) to supervise the directors and senior management members in the performance of their duties, and to put forward proposals on the removal of any director or senior manager who violates laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, the Articles of Association or any resolution of the shareholders' meeting;

- (III) to require the director or senior management to make corrections if his/her act is detrimental to the interests of the Company;
- (IV) to review the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' meetings and, to engage certified public accountants or practicing auditors in the name of the Company to assist in the review whenever queries arise;
- (V) to propose the convening of extraordinary shareholders' meetings, and convene and preside over shareholders' meetings when the Board fails to fulfill its duty under the Articles to do so;
- (VI) to act on behalf of the Company in negotiation with a director or a senior management member, or bringing an action against a director or a senior management member;
- (VII) to investigate and, if necessary, to engage professional organizations, such as accounting firms and law firms, to assist the Company in its work if it discovers any irregularities in the Company's operations. The expenses shall be borne by the Company;
- (VIII) other functions and duties as provided for by the laws, administrative regulations, and Articles of Association.

Article 12 Where no re-election is made upon expiry of the term of a supervisor or the resignation of a supervisor within his/her tenure results in the number of members of the Supervisory Committee falling below the statutory number, the retiring supervisor shall, before a new supervisor is elected and assumes office, continue to perform his/her duties as a supervisor in accordance with laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Article 13 The chairman of the Supervisory Committee shall exercise the following duties and powers:

- (I) to preside over the work of the Supervisory Committee, to convene and preside over meetings of the Supervisory Committee, and to supervise and inspect the implementation of the resolutions of the Supervisory Committee;
- (II) to arrange for the performance of the resolutions of the meetings of the Supervisory Committee, request the auditor of the Company to provide financial audit reports on the Company's operation projects and issue opinions on the audit results in accordance with resolutions of the Supervisory Committee, and, if necessary, may engage accounting firms or other professional firms to provide assistance;
- (III) to examine and sign documents related to the Supervisory Committee;

(IV) to report work to the shareholders' meeting on behalf of the Supervisory Committee;

(V) to perform other duties as required by laws, regulations and the Articles of Association.

Article 14 The annual work report of the Supervisory Committee shall contain the following contents:

(I) the inspection of the business and financial position of the Company;

(II) the implementation of relevant laws, regulations, the Articles of Association and resolutions of the shareholders' meeting by the directors, general manager and other senior management of the Company;

(III) to make evaluation on the integrity and diligence of the directors, general manager and other senior management of the Company in performing their duties;

(IV) other material matters to be reported to the shareholders' meeting as deemed necessary by the Supervisory Committee.

Article 15 The Company shall take measures to protect supervisors' right to be informed, provide necessary assistance for the due performance of duties by the supervisors and any person shall not interfere or obstruct. Reasonable costs incurred by the supervisors in the performance of duties shall be borne by the Company.

Article 16 Supervisors are entitled to understand the Company's operational condition and are obliged to maintain corresponding confidentiality.

Article 17 Supervisors shall observe laws, administrative regulations and the Articles of Association, fulfill the obligations of honesty and diligence, and protect the interests of the Company. In the event of any conflict between their own interests and the interests of the Company and shareholders, they shall act in the best interest of the Company and shareholders.

Article 18 Supervisors shall assume the following responsibilities:

(I) to observe the requirements of the national laws, administrative regulations and the Articles of Association, and to perform duties honestly and diligently;

(II) to attend the meetings of the Supervisory Committee on time;

(III) to maintain and protect the legitimate interests of the Company from infringement, not to use their authorities for personal gains or accept bribes, and not to divulge the Company's secrets;

(IV) to be liable for losses incurred by the Company due to their faults;

- (V) if any resolution of the Supervisory Committee causes serious damage to the interests of the Company, and the supervisors involved in the resolution fail to perform their duties of diligence and prudence, such supervisors shall bear corresponding compensation liability in accordance with the degree of their faults, except that those supervisors who are proven to have expressed dissenting opinions on the resolution during the voting and recorded in the meeting minutes shall be exempted from liability;
- (VI) to bear the liability of compensation to the Company in cases where the supervisors violate the resolution of the Supervisory Committee and cause damages to the interests of the Company during the performance of their specific duties;
- (VII) to bear the liability of compensation for any damage to the interests of the Company due to their breach of laws, administrative regulations or the Articles of Association in the course of performance of their duties.

CHAPTER IV CONVENING AND NOTICE OF MEETINGS OF THE SUPERVISORY COMMITTEE

Article 19 The chairman of the Supervisory Committee shall be responsible for convening meetings of the Supervisory Committee. In the event the chairman of the Supervisory Committee is unable to or fails to exercise his authorities, a supervisor jointly nominated by more than half of all the supervisors shall convene and preside for meetings of the Supervisory Committee. A supervisor may propose to convene an interim meeting of the Supervisory Committee.

Article 20 Meetings of the Supervisory Committee can be divided into regular meetings (hereinafter referred to as “Regular Meeting(s)”) and interim meetings (hereinafter referred to as “Interim Meeting(s)”). Meetings of the Supervisory Committee shall be convened at least once every six months. An Interim Meeting should be convened within ten days by the Supervisory Committee upon occurrence of any of the following circumstances:

- (I) it is proposed by any supervisors;
- (II) when the shareholders’ meeting or a Board meeting passed resolutions in violation of the provisions and requirements of laws, rules, regulations and supervisory authorities, the Articles of Association, the resolutions of the shareholders’ meeting and other relevant provisions;
- (III) where the misconduct of director and senior management is likely to cause material damage to the Company or to cause an adverse effect in the market;
- (IV) when the Company, its directors, supervisors and senior management are sued by shareholders;

(V) such other circumstances prescribed by the Articles of Association.

Article 21 When a supervisor proposes to convene an Interim Meeting, a written proposal signed by the proposer shall be submitted to the chairman of the Supervisory Committee directly. The written proposal shall contain the following items:

- (I) name of the supervisor who makes the proposal;
- (II) reason for making the proposal or the objective reason for the proposal;
- (III) time or duration, venue and form of the proposed meeting;
- (IV) clear and specific proposal;
- (V) contact information of the proposing supervisor and the date of the proposal, etc.

Where the chairman of the Supervisory Committee deems the proposal not well defined, the content lacks specifics or the relevant documents are inadequate, the chairman may require the proposer to amend or supplement the proposal.

Article 22 Notice of a Regular Meeting of the Supervisory Committee shall be delivered to all supervisors in writing ten days before the convening of the meeting.

Notice of an Interim Meeting of the Supervisory Committee shall be delivered to all supervisors in writing five days before the convening of the meeting. In emergencies, a meeting notice can be sent out by phone or other oral means at any time.

Article 23 The notice of a Supervisory Committee meeting shall include the following:

- (I) the date, venue and duration of the meeting;
- (II) the matters and agenda to be discussed;
- (III) the date of issuance of the notice.

The oral notification shall at least include the above-mentioned items (I) to (II), and a statement that in case of emergency, an Interim Meeting of the Supervisory Committee shall be held as soon as practicable.

CHAPTER V CONVENING OF THE MEETINGS OF THE SUPERVISORY COMMITTEE

Article 24 The quorum of the meeting shall be over half of all the supervisors.

Article 25 The supervisors shall attend the meeting of the Supervisory Committee in person. If a supervisor cannot attend the meeting of Supervisory Committee due to whatever reasons, he/she may appoint another supervisor in writing to attend on his/her behalf.

The form of entrustment shall state:

- (I) the name of the appointer and proxy;
- (II) the scope of the authorization;
- (III) period of validity;
- (IV) the instructions on voting on proposals;
- (V) the signature and date of the appointer.

The proxy shall submit a written form of entrustment to the meeting presider, state the entrusted attendance in the meeting registration book and shall exercise the right of the supervisor within the scope of his/her authorization. If a supervisor does not attend the meeting of the Supervisory Committee and fails to appoint a proxy to attend the meeting on his/her behalf, that supervisor shall be deemed to have waived his/her voting rights at that meeting.

Article 26 The presider of the meeting shall ask the attending supervisors to provide definite opinions on respective proposals.

The presider of the meeting shall, in accordance with the proposals of supervisors, requires directors, the senior management personnel and other staff of the Company or personnel of relevant intermediary institutions to present at the meeting and answer questions.

Article 27 The meetings of the Supervisory Committee shall be convened under the principle of onsite meeting. With the consent of the convenor (presider) or proposer, meetings may be convened by way of video, telephone, facsimile transmission or email if necessary. The meetings of the Supervisory Committee can also be convened onsite and via other methods simultaneously.

CHAPTER VI VOTING OF THE MEETINGS OF THE SUPERVISORY COMMITTEE

Article 28 The meeting of the Supervisory Committee shall fully ensure the right of each attending supervisor to express opinions and suggestions. Supervisors shall fully express their opinions with clear and concise views.

Article 29 Resolutions at the meetings of the Supervisory Committee shall be decided by an open ballot and each supervisor shall have one vote.

Article 30 A supervisor may cast an affirmative, a negative or an abstention vote. Each attending supervisor shall indicate his/her intention by choosing one of the above options. The presider of the meeting shall request the supervisor who fails to choose any of the above or has chosen two or more of the above to vote again, and refusal to do so shall be regarded as having abstained from voting. A supervisor who leaves the venue halfway and does not return without making a choice shall be regarded as having abstained from voting.

Article 31 The resolution of the meetings of the Supervisory Committee shall be subject to the approval of over half of its members by voting.

CHAPTER VII MEETING DOCUMENTS AND MINUTES

Article 32 The whole process of the meetings of the Supervisory Committee shall be recorded if necessary.

Article 33 A special person shall be responsible for the minutes of the meeting of the Supervisory Committee.

Article 34 The minutes of the meeting of the Supervisory Committee shall record the actual situation of the meeting completely and accurately as well as the opinions and suggestions of the supervisors attending the meeting.

Article 35 Supervisors attending the meeting shall sign the minutes of the meeting for confirmation. If there is disagreement on the minutes, the supervisors can make written statements when signing.

If a supervisor neither signs the minutes pursuant to the aforesaid clause nor makes a written statement of his/her dissenting opinions, the supervisor shall be deemed to fully agree to the minutes.

Article 36 Archives of meetings of the Supervisory Committee including meeting notice and materials, attendance book, meeting recordings, voting ballots, minutes signed by present supervisors and announcement of resolutions, etc., shall be kept by a person designated by the chairman of the Supervisory Committee with the storage life not less than ten years.

CHAPTER VIII IMPLEMENTATION OF RESOLUTIONS OF THE SUPERVISORY COMMITTEE

Article 37 The convenor of the meetings of the Supervisory Committee shall be responsible for organizing, supervising and inspecting the implementation of its resolutions.

Article 38 The Supervisory Committee may designate other senior management personnel of the Company to implement a resolution according to the specific circumstances of the resolution.

Article 39 Supervisors shall urge relevant personnel to implement the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall inform at future meetings of the Supervisory Committee of implementation of the resolutions that have been formed.

CHAPTER IX BY-LAWS

Article 40 In the event that any matters not contained in these rules conflict with laws, regulations, normative documents promulgated or amended after these rules come into force or the Articles of Association, the laws, regulations, normative documents and the Articles of Association shall be implemented.

Article 41 In these rules, “above” includes the given figure, and “below” does not include the given figure.

Article 42 Unless specified otherwise, the terms used in these rules shall have the same meanings as those used in the Articles of Association.

Article 43 These rules shall be interpreted by the Supervisory Committee of the Company.

Article 44 The Supervisory Committee may amend these rules in accordance with the relevant laws, administrative regulations, other normative documents and the actual circumstances of the Company and submit the same to the shareholders’ meeting for approval.

Article 45 These Rules shall become effective and be implemented upon consideration and approval at the shareholders’ meeting.

NOTICE OF ANNUAL GENERAL MEETING



AINNOVATION TECHNOLOGY GROUP CO., LTD*

創新奇智科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2121)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of AInnovation Technology Group Co., Ltd (the “**Company**”) will be held at The North Star Conference Room, 8F, Dinghao Tower Block A, No. 3 Haidian Street, Haidian District, Beijing, PRC on Friday, 16 May 2025 at 8:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (of which special resolutions are marked with#):

1. To consider and approve the annual report of the Company for the year 2024;
2. To consider and approve the report of the board of directors of the Company for the year 2024;
3. To consider and approve the report of the supervisory committee of the Company for the year 2024;
4. To consider and approve the re-appointment of auditor for the year 2025;
5. #To consider and approve the cancellation of shares repurchased;
6. #To consider and approve the reduction in the Company's registered capital;
7. #To consider and approve the proposed granting of general mandate to the Board of the Company to repurchase Shares:
 - (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Repurchase Period (as defined below) all the powers of the Company to repurchase its Shares in accordance with all applicable laws, rules and regulations;
 - (b) the total number of Shares permitted to be repurchased by the Company pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) as at the date of passing of this resolution; and

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Repurchase Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) at the end of the 2025 annual general meeting of the Company; or
- (ii) the date on which the special resolution passed at the general meeting withdraws or amends the mandate mentioned in this resolution.

8. #To consider and approve the proposed granting of general mandate to the Board of the Company to issue Shares:

(a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Issue Period (as defined below) all the powers of the Company to issue its shares, warrants, convertible bonds or similar rights (including a sale or transfer of treasury shares) to subscribe for any shares or options, warrants of the above convertible bonds in accordance with all applicable laws, rules and regulations;

(b) the approval in paragraph (a) above shall authorise the Company to make an offer, agreement or grant an option to allocate and issue the shares of the Company; the total number of Shares to be allocated and issued shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) as at the date of passing of this resolution; and

(c) for the purposes of this resolution:

“Issue Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) at the end of the 2025 annual general meeting of the Company; or
- (ii) the date on which the special resolution passed at the general meeting of shareholders withdraws or amends the mandate mentioned in this resolution.

9. #To consider and approve amendments to the Articles of Association;

10. To consider and approve adoption of the Procedural Rules for the Shareholders' Meetings;

11. To consider and approve adoption of the Procedural Rules for the Board Meetings; and

12. To consider and approve adoption of the Procedural Rules for the Supervisory Committee Meetings.

NOTICE OF ANNUAL GENERAL MEETING

By order of the Board
AINNOVATION TECHNOLOGY GROUP CO., LTD
創新奇智科技集團股份有限公司
Xu Hui
Executive Director and Chief Executive Officer

Hong Kong, 24 April 2025

Notes:

1. In order to determine the list of shareholders of the Company who are entitled to attend the AGM, the register of members of the Company will be closed from Tuesday, 13 May 2025 to Friday, 16 May 2025, both days inclusive, during which period no transfer of shares of the Company (the “Shares”) will be effected. Unregistered holders of Shares of the Company who wish to attend the AGM must lodge the share certificate accompanied by transfer documents with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 12 May 2025. Shareholders whose names appear on the register of members of the Company on Friday, 16 May 2025 are entitled to attend and vote at the AGM.

2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company, but must be present in person at the AGM to represent the member.

The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised attorney(s). If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.

In order to be valid, the proxy form together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 24 hours before the time fixed for the holding of the AGM (i.e. before 8:30 a.m. on Thursday, 15 May 2025) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they so wish.

3. Pursuant to the provisions of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of the AGM will be voted by poll.

The aforesaid resolutions 1 to 4 and resolutions 10 to 12 are ordinary resolutions to be passed by the affirmative votes representing over half of the total number of Shares held by the Shareholders attending the AGM with voting rights; the resolutions 5 to 9 are special resolutions to be passed by the affirmative votes representing over two thirds of the total number of Shares held by the Shareholders attending the AGM with voting rights.

4. The AGM is expected to last for half a day. Shareholders or their proxies shall produce their identity documents when attending the AGM (or any adjournment thereof). Shareholders or their proxies attending the AGM shall be responsible for their own travel and accommodation expenses.

NOTICE OF ANNUAL GENERAL MEETING

5. For details of the resolutions, please refer to the circular of the Company dated 24 April 2025 (the “**Circular**”) and the 2024 annual report of the Company published by the Company on the websites of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ainnovation.com/>) on 24 April 2025.
6. If the attending shareholder is a corporation, its legal representative shall produce his/her identity card, valid certificate and share certificate which can prove his/her qualification as a legal representative; if the proxy attends the meeting, the proxy shall produce his/her identity card and the written power of attorney duly issued by the relevant Shareholder.
7. References to dates and time in this notice are to Hong Kong dates and time.