

This Appendix is primarily intended to provide potential investors with an overview of the Articles of Association. The following information is a summary and therefore may not contain all the information that is material to potential investors.

1. ISSUANCE OF SHARES

The shares of the Company shall be issued in an open, fair, and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

2. INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws, regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the Shareholders' meetings:

- (i) Public issuance of shares;
- (ii) Non-public issuance of shares;
- (iii) Distribution of bonus shares to existing Shareholders;
- (iv) Capitalization of common reverse fund;
- (v) Other methods as provided for by laws and administrative regulations and the CSRC and other stock exchanges and securities regulatory bodies in the places where the shares of the company are listed.

The Company may decrease the registered share capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law and other regulations, the Articles of Association.

The Company shall not repurchase its own shares, unless otherwise under any of the following circumstances:

- (i) Reducing the Company's registered share capital;
- (ii) Merging with other companies which hold our shares;
- (iii) Using the shares for an employee stock ownership plan or equity incentive plan;
- (iv) Purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' meeting upon their request;
- (v) Use of shares for conversion of convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the Shareholders.

The repurchase of the Company's shares by the Company may be carried out through public centralized trading, or other methods recognized under laws and administrative regulations, the CSRC and stock exchanges and securities regulatory bodies at the place where the Company's shares are listed. If the share repurchase is made under the circumstances stipulated (iii) , (v) and (vi) set out above, it shall be conducted through public centralized trading.

When the Company is to repurchase its own shares under the circumstances stipulated in (i) and (ii) above, a resolution of the Shareholders' meeting shall be resolved. In case of the circumstances stipulated in (iii), (v) and (vi) above, a resolution of the Company's Board passed by more than two-thirds of the directors attending the Board meeting in accordance with regulations of the Articles of Association or with the authorization of the Shareholders' meeting and the applicable securities regulatory rules of the place where the Company's shares are listed.

On the premise of complying with the securities regulatory rules of the place where the Company's shares are listed, after the Company has repurchased its own shares in accordance with the circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

3. TRANSFER OF SHARES

Shares issued prior to the public offering of shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange. Where laws, administrative regulations or the securities regulatory authority of the state council has other provisions governing the transfer of company shares held by Shareholders and the actual controlling party of a company, those provisions shall prevail.

The directors and senior management of the Company shall declare the Company of their holdings of shares of the Company (including preference shares) and the changes therein. The shares transferred by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares in the same class of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares of the Company held by them shall not be transferred within half a year from their departure from the Company.

Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise with respect to the restrictions on the transfer, those provisions shall prevail.

Any gains from sale of Company's shares or other securities with the nature of equity by Shareholders holding 5% or more of the Company's shares, the directors and senior management members within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with the nature of equity by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the board of directors of the Company shall recover such gains from the above-mentioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the purchase of surplus shares after the package sale, and other circumstances stipulated by the CSRC.

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

If the board of directors of the Company fails to comply with the provision set forth above, the Shareholders are entitled to request the board of directors to do so within 30 days. If the board of directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the board of directors fails to implement the provisions set forth above, the responsible directors shall bear joint and several liability in accordance with the laws.

4. FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES IN OUR COMPANY

The Company or its subsidiaries (including affiliates of enterprises) shall not offer financial assistance in forms of gifts, loans, guarantees or borrowings for others to acquire the shares of the Company or its parent company, except for those implemented by employee stock ownership plans by the Company.

Upon the resolution of the Shareholders' meeting or the resolution adopted by the board of directors as authorized by the Articles of Association of the Company or by the Shareholders' meeting, the Company may provide financial assistance for other persons to acquire shares in the Company or its parents for the benefit of the Company, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital of the Company. The resolution of the board of directors shall be passed by two-thirds or more of all the directors.

5. SHAREHOLDERS

The Company shall establish a register of Shareholders in accordance with certificates provided by the securities registration and clearing authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. The original register of Shareholders of H shares is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company enjoy the following rights:

- (i) To receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) To legally require to hold, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' meeting and exercise corresponding speak rights and voting rights;
- (iii) To supervise operations of the Company, provide suggestions or submit queries;
- (iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To inspect and copy the Articles of Association, the register of Shareholders, Shareholders' meeting minutes, resolutions of meetings of the board of directors and financial and accounting reports; Shareholders who meet the requirements may inspect the Company's accounting books and accounting vouchers;
- (vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- (vii) To require our Company to acquire the shares from Shareholders voting against any resolutions adopted at the Shareholders' meeting concerning the merger and division of the Company;
- (viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, securities regulatory rules where the Company's shares are listed, or the Articles of Association.

The provisions of the PRC Company Law, the Securities Law and other laws and administrative regulations shall apply to Shareholders who request to inspect or replicate the relevant materials of the company, who shall also offer the Company written document proofing the class and number of shares they held in the Company.

If the content of the resolution of the Company's Shareholders' meeting or board of directors violates laws, administrative regulations, the Shareholders have the right to request the people's court to clarify it invalid. If the convening procedures or voting methods of the Shareholders' meeting or the board of directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the Shareholders have the right to request the people's court to revoke the resolution within 60 days from the date on which the resolution is made.

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

In the event that the Audit Committee or the board of directors refuse to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the Shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of the Company.

The obligations of Shareholders are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide Share capital according to the Shares subscribed and the subscription methods;
- (iii) Not to withdraw Share capital unless prescribed otherwise in laws and regulations;
- (iv) Not to abuse Shareholder's rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- (v) To perform other duties prescribed in laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders of a company who abuse their Shareholders' rights and cause the company or other Shareholders to suffer damages shall bear compensation liability in accordance with the laws. Shareholders of a company who abuse the independent legal person status of the company and limited liability of Shareholders to evade debts and cause damage to the interests of the creditors of the company shall bear joint liability for the company's debt.

The controlling Shareholder and actual controller of the company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC, and the rules of securities regulatory authorities where the Company's shares are listed, and shall safeguard the interests of the listed company.

When transferring their shares in the company, the controlling Shareholder and actual controller shall comply with the restrictive provisions on share transfer under applicable laws, administrative regulations, CSRC rules, and the securities regulatory rules of the place where the Company's shares are listed, as well as any commitments they have made regarding share transfer restrictions.

6. SHAREHOLDERS' MEETING

a) GENERAL PROVISIONS FOR SHAREHOLDERS' MEETINGS

The Shareholders' meeting of the Company comprises all Shareholders. The Shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the laws:

- (i) To elect or replace non-employee representative directors and to decide on matters relating to the remuneration of directors;
- (ii) To examine and approve reports of the board of directors;
- (iii) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (iv) To decide on any increase or decrease of the Company's registered capital;
- (v) To decide on the issue of corporate bonds by the Company;
- (vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) Resolution on the Company's appointment and dismissal of an accounting firm undertaking audit business of the Company;
- (ix) To examine and approve the guarantees stipulated in the Articles of Association;
- (x) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed thirty percent of the Company's latest audited total assets;
- (xi) To examine and approve matters relating to changes in the use of proceeds;
- (xii) To examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) To examine and approve any related party transactions between the Company and the related person (except for the cash assets gifted to the Company and provision of guarantees) amounts to more than RMB 30 million, accounting for more than 5% of the absolute value of the latest audited net assets of the Company;
- (xiv) To examine and approve the following transactions: major asset purchases or sales (excluding the purchase of raw materials, fuel, power, or the sale of products, goods, and other assets related to ordinary operations); external investments (including entrusted wealth management, investments in subsidiaries, etc., excluding the establishment or capital increase of wholly-owned subsidiaries); provision of financial assistance (including entrusted loans); provision of guarantees (including guarantees for subsidiaries); rental or lease assets; management-related contracts (including entrusted operations, agent operations, etc.); donation or receipt of

assets (excluding receipt of cash assets); debt or equity restructuring; transfer of R&D projects; licensing agreements; waiver of rights (including pre-emptive rights, pre-emptive right to subscribe capital contribution, etc.):

1. the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets; if the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail;
2. the operating income of the subject matter of the transaction (e.g. equity) in the latest accounting year accounts for more than 50% of the Company's audited operating income in the latest accounting year and the absolute amount exceeds RMB50 million;
3. the net profit of the subject matter of the transaction (e.g. equity) in the latest accounting year accounts for more than 50% of the Company's audited net profit in latest accounting year and the absolute amount exceeds RMB5 million;
4. the transaction amount (including assumed debts and expenses) of the transaction accounts for more than 50% of the Company's latest audited net assets, and the absolute amount exceeds RMB50 million;
5. the audited profits arising from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million;
6. other transactions as determined by the Shareholders' meeting in accordance with relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

Where negative values are involved in the calculation of the aforementioned indicators under items 1 to 5, the absolute amounts of such figures shall be applied in the computation.

- (xv) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, which shall be decided by the Shareholders' meeting.

The Shareholders' meeting may authorize the Board of directors to make resolutions on issuance of bonds by the Company.

The following acts of external guarantee of the Company shall be submitted to the Shareholders' meeting for deliberation and approval:

- (i) The single guarantee for an amount more than 10% of the Company's audited net assets in the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and holding subsidiaries of the Company has exceeded 50% of the Company's audited net assets in the latest period;
- (iii) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (iv) The total amount of guarantee provided by a company exceeds 50% of the latest audited net assets of the company within twelve consecutive months and the absolute amount exceeds RMB50 million;

- (v) Basis of the cumulative guarantee amount within twelve consecutive months, the total amount of external guarantees provided by the Company has exceeded 30% of the Company's audited total assets in the latest period;
- (vi) The guarantee to be provided to a Shareholder, or to an actual controller or related party thereof;
- (vii) Other guarantees required by the laws, administrative regulations, departmental rules, relevant provisions of the Shenzhen Stock Exchange, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When the board of directors reviews guarantee matters, in addition to approval by a majority of all directors, approval must also be obtained from more than two-thirds of the directors present at the Board meeting. When the Shareholders' meeting reviews the guarantee matters mentioned in item (v) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the Shareholders present at the meeting.

When the Shareholders' meeting reviews proposals for guarantees provided to Shareholders, actual controller, and related party thereof, the Shareholder in question or the Shareholder under the control of the actual controller shall not participate in the voting on such proposals. The voting on such proposals shall be passed by a majority of the voting rights held by the other Shareholders present at the Shareholders' meeting. When the company provides guarantees for Shareholders, actual controller, and related party thereof, the Company must require such Shareholders, actual controller, and related party thereof to provide counter-guarantees, and the provider of counter-guarantee shall possess actual fulfillment capability.

The Company may provide guarantees for wholly-owned subsidiaries, or for controlled subsidiaries where other Shareholders of the controlled subsidiary provide guarantees in proportion to their equity interests, and in compliance with relevant regulatory rules of the stock exchange in the place where the Company's share is listed, such guarantees may be exempt from submission for review by the Shareholders' meeting if they fall under items (i) to (iv) of the preceding paragraph.

The Shareholders' meetings are divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) The uncovered losses of our Company reach one-third of its total share capital;
- (iii) A request from Shareholders who separately or jointly hold ten percent or more shares (including preference shares with restored voting rights) in the Company;
- (iv) The board of directors considers it necessary;
- (v) The Audit Committee proposes that such a meeting shall be held;
- (vi) Other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

b) CONVENING OF SHAREHOLDERS' MEETINGS

The Shareholders' meeting shall be convened by the board of directors, which shall convene the Shareholders' meeting within the prescribed time limit. After obtaining the consent of a majority of all independent directors, an independent director has the right to propose to the board of directors to convene a special Shareholders' meeting. Upon receiving such a proposal, the board of directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Company's Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special Shareholders' meeting. If the board of directors agrees to convene a special Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after making the board resolution. If the board of directors disagrees to convene a special Shareholders' meeting, it shall state the reasons and make an announcement.

Where the Audit Committee propose to the board of directors to convene a special Shareholders' meeting, it shall submit such proposal in writing to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and this Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special Shareholders' meeting.

If the board of directors agrees to convene a special Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the board of directors disagrees to convene a special Shareholders' meeting, or fails to provide feedback within ten days of receipt, it shall be deemed that the board of directors is unable or fails to perform its duty to convene the Shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than ten percent of the Company's shares (including preference shares with restored voting rights) and requests the board of directors to convene a special Shareholders' meeting shall submit such request in writing to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Company's Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene a special Shareholders' meeting.

If the board of directors agrees to convene a special Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the board of directors disagrees to convene a special Shareholders' meeting, or fails to provide feedback within ten days of receipt, Shareholders who individually or collectively hold more than ten percent of the Company's shares (including preference share with restored voting rights) and propose to the Audit Committee to convene a special Shareholders' meeting shall submit such request in writing to the Audit Committee.

If the Audit Committee agrees to convene a special Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Audit Committee fails to issue a notice of the Shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting. In such cases, Shareholders who individually or collectively hold more than ten percent of the Company's shares (including preference shares with restored voting rights) for a continuous period of 90 days or more may convene and preside over the meeting on their own.

Where the Audit Committee or Shareholders decide to convene a Shareholders' meeting on their own, a written notice must be given to the board of directors and a record must be filed with the stock exchange.

c) PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS

The Company may convene a Shareholders' meeting, and the board of directors, the Audit Committee, as well as Shareholders who individually or collectively hold more than one percent of the Company's shares (including preference shares with restored voting rights), have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than one percent of the Company's shares (including preference shares with restored voting rights) may submit a temporary proposal in writing to the convener ten days prior to the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after receiving the proposal, announcing the content of the temporary proposal, and submit such temporary proposal to the Shareholders' meeting for review. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, or the Company's Articles of Association, or if it is not within the scope of the Shareholders' meeting's authority. If, according to the securities regulatory rules of the place where the Company's stock is listed, the Shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company's stock is listed. The Company shall not increase the shareholding required for the Shareholders to submit the temporary proposals.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The Shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the Shareholders' meeting or that do not comply with the provisions of the Company's Articles of Association.

The convener shall notify each Shareholder in writing (including by announcement) at least twenty days before the annual Shareholders' meeting, and at least fifteen days before the special Shareholders' meeting.

A notice of a Shareholders' meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for consideration;
- (iii) a prominent written statement that all Shareholders of ordinary shares (including preference Shareholders with restored voting rights) and Shareholders holding shares with special voting rights are entitled to attend Shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a Shareholder of the Company;
- (iv) the shareholding registration date of the Shareholders entitled to attend the general meeting;
- (v) the name and telephone number of the permanent contact person for the meeting;
- (vi) the time and procedure for voting online or through other means.

d) CONVENING OF SHAREHOLDERS' MEETINGS

All Shareholders of ordinary shares (including preference Shareholders with restored voting rights) and Shareholders holding shares with special voting rights or their proxies registered on the record date for

equity registration shall be entitled to attend the Shareholders' meeting. They shall have the right to speak and exercise voting rights in accordance with relevant laws, regulations, and the Articles of Association (unless individual Shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the Company's stock is listed).

Shareholders may attend the Shareholders' meeting in person or appoint a proxy to attend, speak and vote on their behalf. The Shareholders' meeting shall be presided over by the chairman of the board. If the chairman is unable or fails to perform his duties, the meeting shall be presided over by a director elected by a majority of the directors.

If the Shareholders' meeting is convened by the Audit Committee, it shall be presided over by the convenor of the Audit Committee. If the convenor of the Audit Committee is unable or fails to perform his duties, one member of the Audit Committee shall be elected by a majority of members of the Audit Committee to preside over the meeting.

If the Shareholders' meeting is convened by the Shareholders themselves, the convenor or a representative elected by the conveners shall preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the Shareholders present and entitled to vote, the Shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

The Company shall establish rules of procedure for the Shareholders' meeting, which shall detail the procedures for holding, convening and voting at the Shareholders' meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, record-keeping and signing, and announcement. The rules shall also specify the principles and specific content of the authorization granted by the Shareholders' meeting to the board of directors.

e) VOTING AT THE SHAREHOLDERS' MEETING

The resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the Shareholders' meeting. A special resolution at a Shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders present at the Shareholders' meeting.

The following matters shall be approved by the Shareholders' meeting through ordinary resolutions:

- (i) Work reports of the board of directors;
- (ii) Plans of earnings distribution and recovery of losses schemes drafted by the board of directors;
- (iii) Appointment or dismissal of the members of the board of directors, their remunerations and the payment method;
- (iv) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the Shareholders' meeting:

- (i) The increase or reduction of the registered capital of the Company;
- (ii) The division, spin-off, merger, dissolution and liquidation (including voluntarily liquidation) of the Company;

- (iii) Any amendment to the Articles of Association;
- (iv) The purchase and sale of material assets or amount of guarantee provided to others by the Company within one year valued at more than thirty percent of the audited total assets of the Company as at the most recent period;
- (v) Share option incentive plan;
- (vi) Other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the Shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote, except for class Shareholders. Where the securities regulatory rules at the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Where material issues affecting the interests of minority Shareholders are considered at the Shareholders' meeting, the votes of minority Shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

Pursuant to the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, if any Shareholder is required to abstain from voting on relevant proposal or any Shareholder is restricted to voting only for or against a designated proposal, any vote cast by such Shareholder or his/her representatives in violation of the aforementioned requirements or restrictions shall not be counted in the voting results.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at Shareholders' meeting. If a Shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the "Securities Law," the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders' meeting for thirty-six months after the purchase. The board of directors of a Company, independent directors, Shareholders holding more than one percent of the voting shares, or investor protection institutions established in accordance with provisions of laws, administrative regulations or the CSRC, may publicly solicit Shareholders' voting rights. When soliciting Shareholders' voting rights, specific voting intentions and other relevant information shall be fully disclosed to the solicited parties. No Shareholders' voting rights shall be solicited in a paid or disguised paid manner. Except for the statutory conditions, the Company shall not impose a minimum shareholding restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews matters related to related-party transactions, associated Shareholders shall not participate in the voting, and the number of shares they represent with voting rights shall not be included in the total number of valid votes; the announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-associated Shareholders.

7. DIRECTORS

Directors may include executive directors, non-executive directors, and independent directors. The non-executive director means the director who does not hold a management position in the Company.

Directors of the Company shall be individuals, and a person may not serve as a director of the Company in case of any of the following circumstances:

- (i) the person without civil conduct capacity or with limited civil conduct capacity;

- (ii) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;
- (iii) the person who is a former director, factory director or president of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;
- (v) the person listed as a judgment defaulter by the people's court because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;
- (vii) the person who has been publicly determined by a stock exchange to be unfit to serve as directors, senior management personnel of a listed company, and the period of such determination has not expired;
- (viii) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where a director is elected or appointed in violation of this article, the election, appointment or engagement shall be invalid. If a director falls under the circumstance of this article during his or her tenure, the Company shall dismiss him or her from office and cease his/her performance of duties.

Directors are elected or replaced by the Shareholders' meeting and may be removed from office by the Shareholders' meeting before the expiration of their term, however no such removal shall prejudice to the directors' claim for compensation available under any contract. The term of office for directors is three years, and they may be re-elected for consecutive terms. If relevant securities regulatory rules of the place where the Company's stock is listed have other provisions regarding the re-election of directors, such provisions shall apply.

The term of office for directors begins on the date of their appointment and ends when the current board of directors' term expires. If the term of office for directors expires and a timely re-election has not taken place, the outgoing directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are listed and the Company's Articles of Association until the newly elected directors take office.

Directors may concurrently hold the position of other senior management positions, but the total number of directors who concurrently hold the position of other senior management positions and directors who are employees' representatives shall not exceed half of the total number of directors of the company.

Directors shall owe the following duties of diligence to the Company:

- (i) They shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, and all national economic policies, and that business operations do not exceed the scope of business specified in the business license;
- (ii) They shall treat all Shareholders fairly;
- (iii) They shall ensure that they have sufficient time and energy to participate in the affairs of the Company, to pay continuous attention to events that may have a significant impact on the production and operation of the Company; promptly understand the status of the Company's business operations and management, and report to the board of directors in a timely manner on problems in the Company's business activities, and not to shirk their responsibilities on the grounds that they are not directly engaged in business management or are not aware of them;
- (iv) They shall sign a written confirmation on the Company's regular reports to ensure that the information disclosed by the company is true, accurate, and complete;
- (v) They shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising its powers;
- (vi) They shall in principle attend the board of directors in person and prudently assess the risks and benefits that may arise from matters concerned; if for any reason a director cannot attend the board of directors in person, he or she should choose and appoint a proxy cautiously;
- (vii) They shall actively promote the compliant operation of the Company, to supervise the Company's true, accurate, complete, fair and timely performance of its information disclosure obligations, and to promptly correct and report on the Company's violations of law and regulations;
- (viii) They shall promptly report to the board of directors and supervise the Company's performance of its information disclosure obligations when it learns that the Company's Shareholders, de facto controllers and their associates have misappropriated the Company's assets, abused their control and other circumstances that harm the interests of the Company or other Shareholders;
- (ix) They shall strictly fulfill the commitments made;
- (x) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's stock is listed, and the Company's Articles of Association.

Directors may resign before the expiration of their term. A director's resignation shall be submitted to the Company in writing and shall become effective immediately upon receipt by the Company. The Company shall make the requisite disclosures regarding such resignation within two trading days.

Without the provisions of the company's Articles of Association or the lawful authorization of the board of directors, no director shall act on behalf of the company or the board of directors in their personal capacity. When a director acts in their personal capacity, if a third party would reasonably believe that the director is acting on behalf of the company or the board of directors, the director shall make a prior declaration of their position and identity.

8. BOARD OF DIRECTORS

The Company has established a board of directors which shall be accountable to the Shareholders' meetings. The board of directors comprises ten directors.

The Board shall exercise the following duties and powers:

- (i) to convene Shareholders' meetings and report its work to the Shareholders' meetings;
- (ii) to implement the resolutions of the Shareholders' meetings;
- (iii) to resolve business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) to draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;
- (vii) to determine on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions of the Company;
- (viii) to determine the internal management structure of the Company;
- (ix) to determine the appointment or dismissal of the president of the Company, the Board secretary and other senior management, and decide their remuneration, awards and penalties; and based on the nomination of the president, to determine the appointment or dismissal of the senior management including vice president and chief financial officer of the Company and determine their remuneration, rewards and penalties;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate proposals for any amendment of the Articles of Association;
- (xii) to manage the information disclosure of the Company;
- (xiii) to propose to the Shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiv) to listen to work reports of the president of the Company and review his/her work;
- (xv) other duties conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or the Shareholders' meeting.

Matters beyond the scope of such authorization shall be submitted to the Shareholders' meeting for consideration.

The board of directors shall establish special committees such as audit committee, nomination, remuneration and appraisal committee, and strategy and ESG committees if necessary. The special committees shall be accountable to the board of directors, perform duties pursuant to the Company's Articles of Association and the authorization of the board of directors, and submit motions to the board of directors for deliberation and decision. All members of the special committees shall be directors, among which the audit committee, the nomination, remuneration and appraisal committee shall be chaired by independent directors, while the audit committee shall be chaired by an accounting professional. Members of the audit committee shall be directors that are not senior management personnel of the listed company.

The board of directors shall convene at least four regular meetings per year, called by the chairman, and all directors shall be notified in writing fourteen days prior to the meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the audit committee may propose to convene an extraordinary meeting of the board of directors. The chairman shall convene and preside over the board of directors meeting within ten days after receiving the proposal.

A meeting of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors must be passed by a majority of all directors. Voting on resolutions of the board of directors shall be conducted on a one person, one vote basis.

If a director has an associated relationship with the subject matter of a resolution of the board of directors, such director shall not exercise the voting right on such resolution, nor shall such director act on behalf of other directors in exercising the voting right. A meeting of the board of directors may be held if more than half of the directors without associated relationships are present, and resolutions made at the meeting of the board of directors must be passed by a majority of the directors without associated relationships. If the number of directors without associated relationships attending the board of directors meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review. If laws, regulations, or the securities regulatory rules of the place where the company's stock is listed impose additional requirements or restrictions on directors' participation in board of directors meetings and voting, such provisions shall prevail.

9. SENIOR MANAGEMENT MEMBERS

The Company shall have one president, which shall be appointed or dismissed by the board of directors. The Company may have certain executive/senior vice presidents as nominated by the president and chief financial officer, who shall be appointed or dismissed by the board of directors.

The president, executive/senior vice presidents, secretary to the board of directors, and the chief financial officer of the Company are considered senior management personnel of the Company.

The provisions in the Company's Articles of Association regarding the fiduciary duties and duties of care of directors shall also apply to senior management personnel.

The president is responsible to the board of directors and exercises the following powers:

- (i) To preside over the Company's production and business management activities, implement the resolutions of the board of directors, and report work to the board of directors;
- (ii) To implement the Company's annual business plan and investment programs;
- (iii) To draft proposals for the establishment of internal management institutions of the Company;
- (iv) To draft the Company's basic management systems;
- (v) To formulate specific regulations of the Company;
- (vi) To propose to the board of directors the appointment or dismissal of executive/senior vice presidents and the Chief Financial Officer;
- (vii) To decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the board of directors;
- (viii) To formulate the wages, benefits, rewards/penalties of the Company employees and decide on their engagement and dismissal;

- (ix) To propose the convening of extraordinary meetings of the board of directors;
- (x) Other powers granted by the Company's Articles of Association or the board of directors.

The president shall attend the meetings of the board of directors.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all Shareholders. If senior management personnel fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public Shareholders, they shall be liable for compensation in accordance with the law.

10. AUDIT COMMITTEE

The board of directors of the Company shall establish an audit committee to exercise power of the supervisory committee at stipulated by the PRC Company Law.

The audit committee comprises 3 members who are directors not holding senior management personnel positions of the Company, of which 3 are independent directors and the chairman shall be an accounting professional therein.

The audit committee shall be responsible for reviewing the Company's financial information and its disclosure, overseeing and assessing internal and external audits and internal control. The following matters shall be submitted to the board of directors for review upon approval by a majority of all members of the audit committee:

- (i) Disclosure of financial information in financial accounting reports and periodic reports and internal control evaluation reports;
- (ii) Appointment or dismissal of the accounting firm engaged in audit of the listed company;
- (iii) Appointment or dismissal of the financial officer of the listed company;
- (iv) Changes in accounting policies or estimates, or corrections of material accounting errors, except those due to changes in accounting standards;
- (v) Other matters stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Company's Articles of Association.

The audit committee shall hold meetings at least once every quarter. Extraordinary meetings may be convened upon the request of two or more members or when the convenor deems it necessary. A meeting of the audit committee shall require the attendance of at least two-thirds of its members to be valid.

Resolutions of the audit committee shall be passed by a majority vote of its members. Each member of the audit committee shall have one vote in decision-making.

The work procedures of the audit committee shall be formulated by the board of directors.

11. FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

a) FINANCIAL ACCOUNTING SYSTEM

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and the requirements of relevant regulatory authorities of the PRC.

The Company shall submit and disclose the annual report to the CSRC's dispatched institutions and the stock exchange where the Company's share is listed within four months after the end of each fiscal year; submit and disclose the interim report to the CSRC's dispatched institutions and the stock exchange where the Company's share is listed within two months after the end of the first half of each fiscal year.

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

b) DISTRIBUTION OF PROFIT

When distributing after-tax profits of the year, the Company shall allocate ten percent of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached fifty percent or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After the Company has extracted the statutory surplus reserve from the post-tax profit, it may, upon resolution of the Shareholders' meeting, extract a discretionary surplus reserve from the post-tax profit.

The remaining post-tax profit after the Company has made up for losses and extracted surplus reserves shall be distributed in proportion to the shares held by the Shareholders, unless otherwise specified under the Articles of Association.

If the Shareholders' meeting violates the PRC Company Law and distributes profits to the Shareholders, the Shareholders must return the profits distributed in violation of the regulations to the Company; where loss is caused to the Company, Shareholders and directors and senior management personnel taking in charge shall hold liability for compensation.

Shares held by the Company itself do not participate in the profit distribution.

The Company must appoint one or more collection agents in Hong Kong for the H-Shareholders. The collection agent shall collect and hold on behalf of the relevant H-Shareholders the dividends and other payments distributed by the Company in respect of the H-shares, pending payment to such H-Shareholders. The collection agent appointed by the Company shall meet the requirements of laws and regulations and the securities regulatory rules of the place where the Company's share is listed.

The Company's profit distribution policy maintains continuity and stability, while also considering investors' rational investment returns and the Company's sustainable development. The Company's board of directors and Shareholders' meeting will fully consider the opinions and requirements of minority Shareholders in the decision-making and argumentation process of the profit distribution policy.

c) INTERNAL AUDIT

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit institution shall be accountable to the board of directors.

d) APPOINTMENT OF AN ACCOUNTING FIRM

The Company shall appoint such accounting firm which has complied with the Securities Law, and the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment, dismisses or non-renewal appointment of accounting firm by the Company shall be decided by ordinary resolutions at Shareholders' meetings. The Board shall not appoint accounting firm before the approval of the Shareholders' meeting.

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

12. MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

a) MERGER, DIVISION, CAPITAL INCREASE, AND CAPITAL REDUCTION

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within ten days as of the date of the resolution for the merger and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty days as of the date of such resolution.

A creditor may within thirty days as of the receipt of the notice or, in case where he/she fails to receive such notice within forty-five days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

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

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within ten days as of the date of the resolution for the division and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty days as of the date of such resolution. The debts of the Company prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before the division.

b) DISSOLUTION AND LIQUIDATION

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

- (i) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;
- (ii) a resolution on dissolution is passed by a Shareholders' meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

- (v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing ten percent or above of the voting rights of the Company may plead the court to dissolve the Company.

In the event of the dissolution of the Company as specified in the preceding paragraph, it shall announce the dissolution of the company through the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within ten days.

If the Company is dissolved due to the provisions mentioned in items (i), (ii), (iv), and (v) of the Articles of Association, a liquidation shall be conducted. The directors shall be the obligors for the Company's liquidation and must form a liquidation group within fifteen days from the date the cause for dissolution arises to carry out the liquidation.

The liquidation group is composed of directors, unless otherwise provided by the Articles of Association or the Shareholders' meeting decides to elect another person.

If the liquidation obligor fails to perform liquidation obligations in a timely manner and causes losses to the Company or creditors, he shall be liable for compensation.

The liquidation group shall notify the creditors within ten days from the date of its establishment and announce it in the newspapers or the National Enterprise Credit Information Publicity System within sixty days. Creditors shall declare their claims to the liquidation group within thirty days from the date of receiving the notice, or within forty-five days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the Company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the Shareholders' meeting or the court for confirmation.

The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the Company's debts. The remaining assets shall be distributed among the Shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the Shareholders before the aforementioned provisions have been complied with.

After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the court for bankruptcy liquidation in accordance with the law. After the court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the court.

Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the court for confirmation, and file it with the Company registration authority to apply for the cancellation of the Company registration. If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

13. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

- (i) after amendments are made to the PRC Company Law or other relevant laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the Shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the Shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the Shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws and regulations shall be announced in accordance with provisions thereof.