This appendix outlines the principal provisions of the Company's Articles of Association, which will become effective as of the date of listing of the H-Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with an overview of the Company's Articles of Association and therefore does not contain all the information that may be important to potential investors.

SHARES

Issuance of Shares

The Shares of the Company shall be issued based on the principle of openness, fairness and impartiality, and shall rank pari passu in all respects with the Shares of the same class. Shares of the same class issued at the same time shall be issued under the same condition and at the same price; the same price shall be paid for each share subscribed for by any entities or individuals.

Share Increase, Decrease and Buyback

In accordance with laws, regulations and the listing rules of the stock exchange on which the Company's Shares are listed, the Company may, based on its operating and development needs and the resolution of the shareholders' meeting, increase its capital by the following ways:

(i) Issuing Shares to non-specific investors;

(ii) Issuing Shares to specific investors;

(iii) Distributing bonus Shares to its existing Shareholders;

(iv) Converting capital reserve into share capital;

(v) Other means prescribed by laws and administrative regulations or approved by the securities regulatory authorities or stock exchanges where the Company's Shares are listed.

The Company may reduce its registered capital and shall do so in accordance with the procedures prescribed by the PRC Company Law and its Articles of Association.

The Company shall not purchase its own Shares, except in any of the following circumstances:

(i) To reduce the registered capital of the Company;

(ii) To merge with another company that holds the Shares of the Company;

(iii) To utilize Shares in the employee share ownership scheme or for share incentive;

(iv) To request the Company to acquire the Shares of Shareholders who dissent from the resolution of the shareholders' meeting on the merger or division of the Company;

(v) To use the Shares in the conversion of the convertible corporate bonds issued by the Company;

(vi) Where it is necessary for the Company to maintain the value of the Company and the interests of Shareholders;

(vii) Other circumstances permitted by the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed.

The Company may, subject to the applicable securities regulatory rules of the place where the Company's Shares are listed, acquire its own Shares through public centralized trading or other methods as recognized by laws, administrative regulations, the CSRC and Hong Kong Stock Exchange. Where the Company repurchases its own Shares under the circumstances described in Item (iii), (v) or (vi) above, such acquisition shall be conducted through public centralized trading.

Where the Company repurchases its own Shares under the circumstances set out in item (i) or (ii) above, it shall be resolved at the shareholders' meeting. Where the Company repurchases its own Shares under the circumstances set out in item (iii), (v) or (vi) above, it shall be resolved at a board meeting attended by more than two-thirds of the directors, subject to the securities regulatory rules of the place where the Company's Shares are listed.

Subject to the regulatory rules of the place where the Company's Shares are listed, the Shares repurchased by the Company in accordance with the above provisions shall be processed in the following ways: for the circumstance in item (i), such Shares shall be canceled in ten days after the date of repurchase; for the circumstance in item (ii) or (iv), such Shares shall be transferred or canceled in six months; for the circumstance in item (iii), (v) or (vi), 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 in three years.

Transfer of Shares

Shares issued prior to the public offering of A Shares by the Company shall not be transferred within one year from the date on which the Company's Shares are listed on the stock exchange.

The directors and senior officers of the Company shall declare to the Company their holding of Shares in the Company and the changes thereof, and shall not transfer more than 25% of the total number of Shares held by them in the Company each year during their term of appointment determined when they take office; the Company's Shares held by them shall not be transferred within one year from the date on which the Company's Shares are listed on the market. The aforesaid persons shall not transfer the Shares they hold in the Company within half a year after their termination. Where the securities regulatory rules of the place where the Company's Shares are listed stipulate otherwise on transfer of Shares of the Company, such provisions shall prevail.

Where the shareholders who hold 5% or more of the Company's shares, the directors or senior officers of the Company sell the Company's Shares held by them within six months from the date of purchase or repurchase the Shares sold by them within six months from the date of sale, the proceeds thereof shall belong to the Company, and the Board of Directors of the Company shall call back such proceeds, except where a securities company holds more than 5% of the Shares of the Company after purchasing the remaining Shares upon public offering due to underwriting, or in other circumstances specified by the CSRC and the securities regulatory rules of the stock exchange where the Company's Shares are listed, in which cases the sale of the Shares shall not be subject to a six-month time limit.

Shares or other securities with the nature of equity held by the directors, senior officers and natural person shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, and those held in the accounts of others.

Where the board of directors fails to comply with the foregoing provisions, the shareholders are entitled to require the board to do so within 30 days. If the board of directors fails to act within the aforementioned timeframe, shareholders have the right to directly file a lawsuit with the People's Court in their own name for the benefit of the Company. If the board of directors fails to comply with the above provisions, the responsible Directors shall be jointly and severally liable in accordance with the law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall make a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's Shares. The original H share register of shareholders shall be kept in Hong Kong for inspection by shareholders. However, the Company can suspend registration of shareholders in accordance with applicable laws, regulations, and the securities regulatory rules of the place where the Company's Shares are listed. The shareholders shall enjoy the rights and assume the obligations according to the class of shares they hold. The shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The Company's shareholders shall have the following rights:

(i) to receive dividends and other distributions in proportion to the number of shares held by them;

(ii) to request to hold, convene, preside over a shareholders' meeting, attend the shareholders' meeting in person or by proxy, and exercise the corresponding voting rights in accordance with the laws;

(iii) to supervise the business operation of the Company and to make suggestions or inquiries;

(iv) to transfer, donate or pledge the Company's Shares held by them in accordance with laws, administrative regulations and the Articles of Association;

(v) to access and reproduce the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions passed at meetings of the board of directors and financial and accounting reports; Shareholders who individually or collectively hold more than 3% of the Shares of the Company for a period of more than 180 consecutive days may inspect the Company's accounting books and documents;

(vi) to participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) to request the Company to repurchase Shares held by shareholders who raise objection to the resolution on the merger or division of the Company as adopted by the shareholders' meeting;

(viii) other rights stipulated by laws, administrative regulations, departmental regulations, the regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The shareholders are entitled to request the court to invalidate the resolutions of the shareholders' meeting and board meeting which violate the laws and administrative regulations. The shareholders are entitled to request the PRC courts to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure and voting method of the shareholders' meeting or Board meeting violate the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association, unless there are only minor defects in the convening procedure or voting method of the shareholders' meeting or board meeting which do not materially affect the resolution.

In the event of a violation of laws, administrative regulations or the provisions under the Articles of Association by a director or senior management other than the member of the Audit, Risk Control and Compliance Committee (the "Audit Committee") in performing his duties resulting in loss suffered by the Company, the shareholders that solely or collectively hold 1% or more Shares of the Company for a continuous period of 180 days have the right to make a written request to the Audit Committee to file a litigation with a PRC court. In the event of a violation of laws, administrative regulations or the provisions under the Articles of Association by a member of the Audit Committee in performing his duties that has led to loss and damage suffered by the Company, the shareholders that solely or collectively hold 1% or more Shares of the Company for a continuous period of 180 days have the right to make a written request to the Board to file a litigation with a PRC court.

Upon receipt of the written request made by the shareholders as stipulated in the preceding paragraph, in case the Audit Committee or the Board of Directors refuses to file a lawsuit or fails to file a lawsuit within 30 days from receipt of such request, or under urgent circumstances that failure in filing a lawsuit immediately will have the Company suffer from irreparable damages, the aforesaid shareholders shall have the right to file a lawsuit to a PRC court directly in their own name for protection of the Company's interests.

In the event that any other person infringes upon the legal rights and interests of the Company and causes losses thereto, the aforesaid shareholders may file a lawsuit to a PRC court in accordance with the provisions of the preceding paragraph.

If the directors, supervisors, or senior officers of a wholly-owned subsidiary of the Company have the circumstances stipulated in the preceding paragraph, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary of the Company and cause losses, shareholders who hold, individually or jointly, more than 1% of the Company's Shares for more than 180 consecutive days may, in accordance with the Articles of Association, submit a written request to the supervisory committee or the board of directors of the wholly-owned subsidiary to file a lawsuit with a PRC court or file a lawsuit directly with a PRC court in their own name.

Shareholders of the Company shall assume the following obligations:

(i) to comply with the laws, administrative regulations and the Articles of Association;

(ii) to pay capital contributions in accordance with the Shares subscribed and the capital participation method;

(iii) not to withdraw their capital contributions except under the circumstances stipulated by laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed;

(iv) not to abuse their shareholder rights to harm the interests of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to harm the interests of the Company's creditors;

(v) any other obligations prescribed by the laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

If any shareholder of the Company abuses the shareholder's rights and causes losses to the Company or other shareholders, he shall be liable for the compensation. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damages the interests of the creditors of the Company, he shall bear joint and several liability for the debts of the Company.

The controlling shareholder and actual controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the rules of the CSRC and the stock exchange, safeguarding the interests of the listed company.

General Provisions on the Shareholders' Meeting

The shareholders' meeting is the organ of authority of the Company and shall exercise the following powers according to the PRC Company Law:

(i) to elect and replace the directors who are not the representatives of the staff and workers, and determine the remuneration of the directors;

(ii) to review and approve reports of the Board;

(iii) to review and approve profit distribution plans and loss recovery plans of the Company;

(iv) to make resolutions concerning the increase or reduction of the Company's registered capital;

(v) to make resolutions on the issuance of bonds of the Company;

(vi) to make resolutions on the merger, division, dissolution, liquidation of the Company or change in the organizational form of the Company;

(vii) to amend the Articles of Association;

(viii) to make resolutions on the engagement or removal of accounting firms that provide audit services for the Company;

(ix) to review and approve external guarantee matters stipulated in the Articles of Association as requiring approval by the shareholders' meeting;

(x) to consider the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the Company's audited total assets for the latest period;

(xi) to deliberate and approve changes in the use of proceeds;

(xii) to review and approve the equity incentive scheme and Employee Stock Ownership Plan;

(xiii) to examine other matters that shall be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

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

(i) any guarantee provided after the total amount of the external guarantees provided by the Company and its majority owned subsidiaries exceeds 50% of the audited net assets for the latest period;

(ii) any guarantee provided after the total amount of the external guarantees provided by the Company and its majority owned subsidiaries exceeds 30% of the Company's audited total assets for the latest period;

(iii) any guarantee provided by the Company to others within one year that exceed 30% of the audited total assets of the Company for the latest period;

(iv) the guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;

(v) any single guarantee with its amount exceeding 10% of the audited net assets for the latest period;

(vi) any guarantee provided to shareholders, the actual controllers and their affiliates;

(vii) other guarantee matters that shall be reviewed and approved by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

Shareholders' meetings are categorized into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year, and shall be held within six months after the prior fiscal year ends.

In the event of any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within two months from the date of occurrence:

(i) The number of directors is less than two-thirds of the number prescribed in the PRC Company Law or the articles of association;

(ii) The Company's losses which are not covered amount to one-third of the total capital;

(iii) Written requests are made by shareholders individually or collectively holding more than 10% of the Company's share;

(iv) The Board considers it necessary;

(v) The audit committee proposes to convene the meeting;

(vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Convening of Shareholders' Meeting

The Independent Directors are authorized to propose to the Board of Directors to convene an extraordinary shareholders' meeting with the approval of a majority of all Independent Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting within 10 days of receipt of the proposal. Where the Board agrees to convene an extraordinary shareholders' meeting, the Board shall, within 5 days after the Board resolution is made, issue a notice for the meeting. Where the Board does not agree to convene such meeting, the reasons shall be stated and announced.

The Audit Committee shall have the right to propose to the Board to convene an extraordinary shareholders' meeting, and shall make such proposal in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting within 10 days of receipt of the proposal. Where the Board agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within 5 days after the decision is made. Any changes made to the original proposal in the notice shall be agreed by the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days after receiving the proposal, it is deemed that the Board is unable to fulfill or does not fulfill its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

The Shareholders who individually or jointly hold more than 10% of the Shares of the Company shall have the right to request the Board to convene an extraordinary shareholders' meeting, and shall make such request to the Board in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting within 10 days of receipt of the proposal. Where the Board agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within 5 days after the board resolution is made. Any changes made to the original request in the notice shall be agreed by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's Shares have the right to propose to the audit committee to convene an extraordinary shareholders' meeting, and such proposal shall be made in writing. Where the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within 5 days after the receipt of the request. Any changes made to the original proposal in the notice shall be agreed by the relevant shareholders. If the Audit Committee fails to give notice of a shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting, and the shareholders who have individually or collectively held more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

Proposals and Notices of Shareholders' Meetings

The proposal content shall fall into the terms of reference of the shareholders' meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed, and the Articles of Association.

The Board of Directors, the Audit Committee, and shareholders who individually or collectively hold more than 1% of the Company's Shares have the right to submit proposals to the shareholders' meeting.

Shareholders who individually or collectively hold more than 1% of the Company's Shares may propose a provisional proposal and submit it in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after the receipt of the proposal, announcing the contents of the provisional proposal and submitting the provisional proposal to the shareholders' meeting for deliberation, except that the provisional proposal is in violation of the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association of the Company or does not fall within the terms of reference of the shareholders' meeting. If the shareholders' meeting shall be postponed for the publication of the supplementary notice of the shareholders' meeting in accordance with the provisions in the securities regulatory rules of the place where the Company's shares are listed, the convening of the shareholders' meeting shall be postponed in accordance with the relevant provisions in the securities regulatory rules of the place where the Company's shares are listed.

Save as specified above, the convener shall neither revise the proposals set out in the notice of shareholders' meetings nor add new proposals after issuing the notice of shareholders' meeting. The shareholders' meeting shall not vote or pass resolutions on proposals not listed in the notice of the shareholders' meeting or resolutions not in conformity with the Articles of Association.

The convener shall notify all shareholders in writing (including by announcements) 21 days prior to the Annual Shareholders' Meeting and 15 days prior to the Extraordinary Shareholders' Meeting.

The notice of the shareholders' meeting shall include the following particulars:

(i) the time, venue and duration of the meeting;

(ii) the matters and proposals submitted to the meeting for deliberation;

(iii) clear words specifying that all shareholders shall have the right to attend the shareholders' meeting, and that they may appoint a proxy in writing to attend the meeting and vote on their behalf. The proxy is not necessarily a shareholder of the Company;

(iv) the record date for Shareholders who are entitled to attend the shareholders' meeting;

(v) the name and telephone number of the regular contact person for the meeting;

(vi) the voting time and voting procedures of the meeting for the online voting or other means of voting;

(vii) other requirements stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

After the notice of the Shareholders' Meeting is given, without good reason, the shareholders' meeting shall not be postponed or canceled, and the proposals set out in the notice shall not be canceled. In the event of any postponement or cancellation, the convener shall give a notice and explanations at least 2 working days before the scheduled meeting date. Where there are special provisions in the security regulatory rules of the place where the Company's shares are listed with respect to the procedures for the postponement or cancellation of shareholders' meeting, such provisions shall prevail, to the extent not violating the regulatory requirements of the Company's place of incorporation.

Holding of Shareholders' Meeting

If the shareholders' meeting requests the directors and senior officers to attend the meeting, the directors and senior officers shall attend the meeting and be questioned by the shareholders.

The shareholders' meeting shall be presided over by the chairman of the board. Where the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly appointed by a majority of all the directors. A shareholders' meeting convened by the Audit Committee shall be chaired by the convener of the Audit Committee. In the event that the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee jointly elected by a majority of the members of the Audit Committee shall preside. A shareholders' meeting convened by the shareholders themselves shall be presided over by the convener or his/her elected representative. During the course of a shareholders' meeting, if the meeting presider violates the procedural rules such that the meeting cannot continue, the shareholders' meeting may elect a person to act as the meeting presider and continue the meeting with the consent of the majority of the Shareholders entitled to vote and present at the shareholders' meeting.

The Company shall formulate rules of procedure for the shareholders' meeting, stipulating in detail the convening and voting procedures of the meeting, including notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and their signatures, etc., as well as the principle of authorization by the shareholders' meeting to the Board. The content of the authorization shall be clear and specific.

Voting of Shareholders' Meetings

The resolutions of shareholders' meeting are classified into ordinary ones and special ones. Ordinary resolutions at a shareholders' meeting shall be passed by a majority of the votes held by the shareholders present at the shareholders' meeting. Special resolutions of the shareholders' meeting shall be adopted by more than two-thirds of the votes held by the Shareholders present at the meeting.

The following matters shall be resolved by way of ordinary resolution of the shareholders' meeting:

(i) work report of the board of directors;

(ii) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(iii) appointment and removal of directors, and determination of the remuneration of the directors and method of payment;

(iv) Matters other than those which should be decided by special resolution as provided by law, administrative regulation, securities regulatory rules where the Company's shares are listed or the Articles of Association.

The following matters shall be resolved by way of special resolution of the shareholders' meeting:

(i) increase or decrease of the Company's registered capital;

(ii) separation, division, merger, dissolution and liquidation of the Company;

(iii) any amendment to the Articles of Association;

(iv) purchase and disposal of major assets by the Company within one year, or provision of guarantee with the amount exceeding 30% of the Company's audited total assets for the latest period;

(v) the equity incentive scheme;

(vi) adjustment or change of cash dividend policy;

(vii) other matters required to be approved by special resolutions under the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and matters which, according to an ordinary resolution of the shareholders' meeting, may have a significant impact on the Company and shall be adopted by way of a special resolution.

When a shareholder (including a proxy) exercises his/her voting rights according to the number of voting shares he/she represents, each share shall have one voting right, except for the class shareholders.

When material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately, and the results of such separate vote counting shall be disclosed promptly.

Shares of the Company held by the Company do not have voting rights, and such Shares are not counted in the total number of Shares entitled to vote at the shareholders' meeting.

Where a Shareholder's purchase of the Company's Shares with voting rights violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the Shares exceeding the prescribed proportion shall not be exercised within 36 months after the purchase, and such Shares shall not be included in the total number of shares with voting rights of the shareholders attending the Shareholders' Meeting.

If in accordance with the applicable laws and regulations and the Hong Kong Listing Rules, any shareholder is required to abstain from voting or is restricted to voting for (or against) any individual resolution, any vote by the shareholder or his/her proxies in contravention thereof shall not be counted into the total number of shares with voting rights.

The board of directors, independent directors, shareholders who hold more than 1% of the Company's voting shares or investor protection institutions established in accordance with law, administrative regulation, securities regulatory rules of the place where the Company's Shares are listed, may publicly solicit shareholders' voting rights. It is prohibited to solicit shareholders' voting rights through paid or disguised paid means.

When the connected (related) transactions are considered at the shareholders' meeting, the interested Shareholders shall not participate in voting, and the number of voting Shares represented by them shall not be counted into the total number of valid votes. The voting particulars of the connected (related) Shareholders shall be disclosed in the resolutions of the shareholders' meeting.

BOARD OF DIRECTORS

Directors

Directors include executive directors, non-executive directors, and independent directors. An independent director refers to an individual who meets the conditions specified in the Articles of Association. The directors of the Company shall be natural persons and shall meet the qualification requirements stipulated by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's Shares are listed. None of the following persons may serve as a director of the Company:

(i) persons without capacity or with limited capacity for civil conduct;

(ii) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the socialist market economic order, where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime, where five years have not lapsed following the serving of the sentence, or in case of a suspended sentence, not more than two years have elapsed since the date of expiration of the probationary period;

(iii) persons who acted as directors, or factory managers or managers of bankrupt or liquidated companies or enterprises who bear personal liability for the bankruptcy or liquidation of such companies or enterprises, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;

(iv) persons who were legal representatives of a company or enterprise, which had its business license revoked due to a violation of the law and were ordered to close down, and who were personally liable for the revocation of business license of such company or enterprise, where less than three years have elapsed since the date of the revocation of business license of such company or enterprise;

(v) persons who have been listed by the People's Court as defaulter because they have incurred debts of a large amount that have not been settled by the due date.

(vi) persons who are imposed by the CSRC a ban from entering into the securities market for a period which has not yet expired;

(vii) persons publicly declared by the stock exchange as unsuitable for serving as directors or senior officers of a company for a period which has not yet expired;

(viii) other contents as prescribed in laws, administrative regulations, departmental rules, or securities regulatory rules at the place where the shares of the Company are listed.

Elections, appointments or employment of Directors in violation of the above provisions shall be invalid. In the event that the circumstances as stipulated above arise during the term of office of any Director, the Company shall dismiss the relevant director.

Directors shall be elected or replaced by the shareholders' meeting, and the shareholders' meeting may remove any director (including executive director) before the expiration of his/her term of office. The shareholders' meeting may remove any director before the expiration of his/her term of office by ordinary resolution (but without prejudice to any claim which may be made under any contract). The term of office for directors is three years. Upon expiration of their term, they may be re-elected for consecutive terms in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The term of office of a director shall start from the date on which the said director assumes office to the expiry of the current term of the Board of Directors. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A Director may be the senior officer concurrently, provided that the total number of Directors who concurrently serve as the senior officers and directors who are employee representatives shall not exceed half of the total number of Directors of the Company.

Directors shall comply with the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall have a duty of loyalty and duty of diligence to the Company

A director may resign before the expiration of his/her term. The director shall submit a written resignation report to the Board. The board of directors shall disclose the relevant information within two days or within the timeframe specified by the securities regulatory rules of the place where the Company's shares are listed. If the resignation of directors results in the number of board members falling below the quorum, or if the resignation of independent directors results in the number of independent directors being less than one-third of the board members, or if the proportion of independent directors on a special committee does not comply with laws, regulations, or the provisions of these Articles of Association, or if there are no accounting professionals among the independent directors, the original directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the newly elected directors assume office.

The directors' duty of loyalty to the Company and its shareholders shall remain in effect after the resignation report takes effect and for a period of three years following the expiration of their term of office.

Without the legal authorization by the Articles of Association or the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his/her own name. Where a Director acts in his/her own name, the Director shall declare in advance his/her position and identity in the case that a third party would reasonably believe that the Director is acting on behalf of the Company or the Board.

The qualifications, nomination and election procedures, powers, and other relevant matters concerning independent directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

Board of Directors

The Company shall have a Board of Directors, which is accountable to the shareholders' meeting.

The Board of Directors is composed of 6 directors, including one chairman.

The Board of Directors shall exercise the following powers:

(i) to convene a shareholders' meeting and report to the shareholders' meeting on the work of the Board;

(ii) to implement resolutions adopted by the shareholders' meeting;

(iii) to decide on the Company's business plan and investment plan;

(iv) to formulate the profit distribution plan and loss recovery plan 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 formulate plans for substantial acquisition, repurchase of shares of the Company, or merger, division, dissolution, liquidation and change of organizational form of the Company;

(vii) to decide on the outbound investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected (related) transactions, external donations etc. of the Company within the authority granted by the shareholders' meeting;

(viii) to determine the setup of the Company's internal management structure;

(ix) to appoint or dismiss the shareholders' manager, Secretary to the Board, and decide on matters of remuneration, rewards and punishments; to appoint or dismiss senior management such as executive deputy shareholders' manager, deputy general manager and CFO according to the nomination of the general manager, and decide on matters of remuneration, rewards and punishments;

(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 manage the information disclosure of the Company;

(xiii) to request the shareholders' meeting to engage or replace the accounting firm that provides audit service for the Company;

(xiv) to debrief the work report of the general manager and check the works of the general manager;

(xv) other duties stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

The Board of Directors of the Company has established other special committees, including the Audit Committee, the Strategy and Sustainable Development Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. The special committees shall be accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Their proposals shall be submitted to the Board of Directors for deliberation and decision. All members of the special committees are directors. The majority of members of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee shall be independent directors, who shall also be the conveners. Members of the Audit Committee shall be non-executive directors or independent directors who do not hold senior management positions in the Company. At least one independent director shall be an accounting professional, who shall also serve as convener. The Board of Directors shall be responsible for formulating the working rules of the special committees and regulating their operation. Matters beyond the scope authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The chairman shall be elected by the board of directors through affirmative votes by more than half of all the directors.

Where the chairman is unable or fails to perform his/her duties, such duties shall be performed by a director jointly appointed by a majority of all the directors.

The Board of Directors shall hold at least four meetings each year, which shall be convened by the Chairman and notified to all the directors 14 days prior to the meeting in writing. Notice of an extraordinary meeting of the board of directors shall be given in writing to all directors at least three days prior to the meeting. Shareholders holding more than one-tenth of the voting rights, directors accounting for more than one-third of board members, or the audit committee may propose to convene an extraordinary meeting of the board of directors. The Chairman shall convene and preside over a Board meeting within 10 days after receiving the proposal.

A board meeting shall not be held unless more than half of the directors are present. A board resolution must be approved by more than half of all the Directors, except as otherwise provided by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed. Each Director shall have one vote for the resolutions of the Board of Directors.

Where a director is related (connected) with the enterprise involved in the resolution of the Board meeting, he/she shall report in writing to the board of directors in a timely manner and shall not exercise the right to vote on the resolution, nor shall he/she exercise the right to vote on behalf of another director. The board meeting can be held with the presence of more than half of the uninterested directors. The resolutions made at the board meeting must be approved by more than half of the uninterested directors. If the number of uninterested directors present at the Board meeting is less than 3, the matter shall be submitted to the shareholders' meeting for consideration. If laws and regulations and the securities regulatory rules of the place where the Company's shares are listed impose any additional restrictions on the participation of directors in the meetings of the Board of Directors and on voting, the relevant provisions shall apply accordingly.

The directors shall attend the board meeting in person. If a director is unable to attend the meeting for some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf. The power of attorney shall specify the name, matters entrusted to, scope of authorization and term of validity of the proxy, and shall be signed or sealed by the principal. The director who attends the meeting on behalf of another director shall exercise the rights of the directors within the scope of authorization. A Director failing to attend the Board meeting in person or by proxy shall be deemed as having waived his/her voting rights at such meeting.

Senior Officers

The Company shall have a general manager who shall be appointed or removed by the Board.

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

The general manager, executive deputy general manager, deputy general manager, chief financial officer and the Board Secretary are senior officers of the Company. The provisions of the Articles of Association regarding circumstances under which a person is prohibited from acting as a Director as well as the directors' duty of loyalty and duty of diligence shall also apply to senior officers.

The General Manager shall serve a term of office of three years, and can be re-elected upon expiration of his/her term of office.

The general manager shall be accountable to the Board and exercise the following powers:

(i) to take charge of the production, operation and management of the Company, organize the implementation of the resolutions of the Board, and report on his work to the Board;

(ii) to organize the implementation of the Company's annual business plans and investment plans;

(iii) to draft the Company's the plan for the setup of the internal management structure;

(iv) to draft the Company's basic management system;

(v) to formulate the specific rules and regulations of the Company;

(vi) to propose to the board of directors the appointment or dismissal of the executive deputy general manager, the deputy general manager and the chief financial officer;

(vii) to decide to employ and dismiss the management personnel other than those to be employed and dismissed by the Board of Directors;

(viii) other powers granted by the Articles of Association or the Board.

The Company shall have a Board secretary who shall be appointed and dismissed by the Board. The Board Secretary shall take charge of the preparation of shareholders' meetings and Board meetings, the safekeeping of documents, the management of the information of Shareholders, the handling of information disclosure affairs, etc.

The senior officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior officers fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and shareholders of public shares, they shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting Systems

The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the regulations of the relevant departments.

The Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange where the Company's shares are listed within four months after the end of each fiscal year, its interim report to the local office of the CSRC and Shanghai Stock Exchange within two months after the end of the first half of each fiscal year, and its quarterly accounting reports to the local office of the CSRC and the stock exchange where the Company's shares are listed within one month after the end of the first three months and nine months of each fiscal year respectively.

The Company shall not set up any other accounting books except for the legal accounting books. The assets of the Company shall not be deposited into an account established in the name of any individual.

Profit Distribution

When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory surplus reserve. No further allocation is required if the aggregate amount of the statutory surplus reserve exceeds 50% of the registered capital of the Company. If the Company's statutory surplus reserve is not sufficient to cover the Company's losses in the previous fiscal year, such losses shall first be covered before any allocation is made to the statutory surplus reserve in accordance with the provisions of the preceding paragraph.

After the company has allocated the statutory surplus reserve from its after-tax profits, it may, upon a resolution made by the shareholders' meeting, allocate a discretionary surplus reserve from its after-tax profits. The remaining after-tax profits of the Company after making up for the losses and withdrawing the reserves may be distributed according to the proportion of Shares held by the Shareholders, except it is specified in the Articles of Association that the distribution is not made based on the shareholding proportions. If the Company distributes profits to shareholders in violation of the provisions of the PRC Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company. If any loss is caused to the Company, the shareholders and the responsible directors and senior officers shall be liable for compensation. No profits shall be distributed in respect of the Company's Shares held by the Company.

The surplus reserve of the Company shall be used to cover the Company's losses, expand its production and operation, or increase its capital. If the Company's statutory reserves and discretionary reserves are insufficient to cover its losses, capital reserves may be utilized in accordance with regulations. When the statutory reserve fund is converted into registered capital, the remaining statutory reserve fund shall be no less than 25% of the registered capital of the Company before the capital increase.

The Company's profit distribution policy shall be designed to maintain continuity and stability while balancing the long-term interests of the Company, the overall interests of all shareholders, and the sustainable development of the Company. The Company may distribute profits in cash, Shares, combination of cash and Shares, or other ways permitted by laws and regulations. The Company shall prioritize cash dividends for profit distribution when meeting the conditions for cash dividends.

Internal Audit

The Company has implemented an internal audit system, which specifies the leadership system, responsibility and authority, staffing, financial security, use of audit results and accountability for internal audit work.

The Company's internal audit system shall be implemented upon approval by the board of directors and disclosed externally. The internal audit department shall be accountable to the board of directors.

Engagement of Accounting Firm

The Company shall appoint an accounting firm which complies with the PRC Securities Law to audit the financial statements, examine the net assets of the Company and conduct other relevant consultancy services. The term of office of an accounting firm is one year, which may be extended.

The appointment or removal of an accounting firm by the Company must be decided by the shareholders' meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made by the shareholders' meeting.

The Company shall ensure the provision to the accounting firm appointed true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse to provide the required information, hide any information or provide any false information.

The audit fee or method of determining the audit fee of an accounting firm shall be decided by the shareholders' meeting.

When the Company dismisses or does not renew the employment of an accounting firm, it shall give a 10-day prior notice to the accounting firm, and the accounting firm shall have the right to state its opinions at the shareholders' meeting where a voting process concerning the dismissal of such accounting firm is carried out.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL DECREASE, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Decrease

Merger of the Company may take the form of merger by absorption and merger by new establishment. In the case of a merger by absorption, a company absorbs another company and the absorbed company shall be dissolved. In the case of a merger by new establishment, two or more companies merge together for the establishment of a new company and the companies to the merger shall be dissolved.

If the price paid for the merger does not exceed ten percent of the Company's net assets, it does not require a resolution by the shareholders' meeting, unless otherwise stipulated in the Articles of Association. A merger of the Company in accordance with the provisions of the above paragraph shall be resolved by the Board of Directors if the merger is not resolved by the shareholders' meeting.

In the case of a merger, parties to the merger shall execute a merger agreement, and shall prepare the balance sheets and a schedule of assets. The Company shall inform its creditors within 10 days and publish an announcement on the newspaper published publicly or the National Enterprise Credit Information Publicity System and/or the website of the stock exchange where the Company's shares are listed within 30 days after the resolution approving the merger has been adopted. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the public announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

The surviving company or the newly established company of a merger shall assume the claims and debts of the parties to the merger.

If the Company is divided, its property shall be divided accordingly. In the case of a division, a balance sheet and a schedule of assets shall be prepared. The Company shall inform its creditors within 10 days and publish an announcement on the newspaper published publicly or the National Enterprise Credit Information Publicity System and/or the website of the stock exchange where the Company's shares are listed within 30 days after the resolution approving the division has been adopted. Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division jointly and severally, except as otherwise stated in the agreement entered into between creditors and the company for debt service prior to the division.

Where the Company needs to reduce its registered capital, a balance sheet and a schedule of assets must be prepared. The Company shall inform its creditors within 10 days and publish an announcement on the newspaper published publicly or the National Enterprise Credit Information Publicity System and/or the website of the stock exchange where the Company's shares are listed within 30 days after the resolution approving the reduction of registered capital has been adopted. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the public announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

Where the merger or division of the Company results in a change in its registration particulars, such change shall be registered with the company registration authority according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law. Where the Company increases or reduces its registered capital, it shall amend its registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved if:

(i) the business term as specified in the Articles of Association expires or any other dissolution event occurs as specified in the Articles of Association;

(ii) the shareholders' meeting resolves to dissolve the Company;

(iii) the Company is dissolved as a result of merger or division;

(iv) the Company is revoked of business license, ordered to close or canceled according to law;

(v) shareholders holding more than 10% of the voting rights of the Company request the PRC court to dissolve the Company, on the grounds that the Company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the Company would bring significant losses to the interests of shareholders.

If the Company encounters any of the dissolution causes specified in the preceding paragraph, it shall publicize the dissolution causes through the National Enterprise Credit Information Publicity System within 10 days.

If the Company is in the situations set out in items (I) and (II) of Article 192 of the Articles of Association and has not yet distributed its property to its shareholders, it may survive by amending the Articles of Association or by a resolution of the shareholders' meeting. Pursuant to the foregoing provisions, amendments to the Articles of Association or resolutions of the shareholders' meeting shall be adopted by a vote of more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

Where the Company is dissolved in accordance with the Articles of Association, it shall undergo liquidation. Within fifteen days of the occurrence of the dissolution event, a liquidation committee shall be established and the liquidation process initiated (directors shall be the liquidation obligors of the Company) The liquidation committee shall be composed of the directors, except as otherwise provided in the Articles of Association or as otherwise elected by the resolution of the shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, they shall be liable for compensation.

The liquidation committee shall, within 10 days of its establishment, notify the Company's creditors, and make an announcement on the newspapers or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall, within 30 days of receipt of the notice, or within 45 days of the announcement if the creditors have not received such notice, declare their claims to the liquidation committee.

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

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

After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the shareholders' meeting or the PRC court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance premiums, statutory compensation, outstanding taxes and company debts, the remaining assets of the Company shall be distributed in proportion to the shareholdings of the shareholders. During the liquidation period, the Company still exists, but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to the Shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

Where the liquidation committee discovers upon examination of the Company's assets and preparation of the balance sheet and schedule of assets that the Company's assets are insufficient to repay its debts, an application shall be made to the PRC Court for bankruptcy liquidation. After the PRC court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the PRC court.

Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, submit it to the shareholders' meeting or the PRC court for confirmation, and submit it to the company registration authority, apply for cancellation of the Company's registration, and announce the Company's termination.

If the Company is declared bankrupt, the bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

AMENDMENT OF ARTICLES OF ASSOCIATION

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

(i) After the amendment of the PRC Company Law or relevant laws, administrative regulations, the Listing Rules or the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;

(ii) There has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;

(iii) The shareholders' meeting decides to amend the Articles of Association.

Where any amendment to the Articles of Association resolved by the shareholders' meeting is subject to examination and approval by the competent authority, such amendment shall be submitted to the competent authority for approval; where any amendment to the Articles of Association involves the Company's registration, the Company's registration shall be amended in accordance with the law.

The Board shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of relevant competent authorities.