This appendix contains a summary of the principal provisions of the Articles of Association adopted on March 23, 2026, and shall become effective from the date on which the H shares are [REDACTED] on the Stock Exchange. The primary purpose of this appendix is to provide potential [REDACTED] with an overview of the Articles of Association. Therefore, it may not contain all information important to potential [REDACTED].

SHARES

Issue of Shares

The shares of the Company shall take the form of share certificates.

The Company shall issue shares in an open, fair and just manner, and each share of the same class has the same right. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. Any subscriber shall pay the same price for each share subscribed.

All shares issued by the Company shall have their nominal values denominated in RMB, with a par value of RMB1 per share.

Increase, Decrease and Buyback of Shares

In accordance with the needs of its business operation and development, and in compliance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, the Company may increase its capital in the following ways upon separate resolutions adopted by the shareholders' meeting:

(I) offer of shares to unspecified entities;

(II) offer of shares to specified entities;

(III) allotting bonus shares to existing shareholders;

(IV) conversion of funds in the capital reserve to share capital;

(V) other means stipulated by laws, administrative regulations and the securities regulatory authority of the place where the Company's shares are listed.

The Company may reduce its registered capital. When the Company reduces its registered capital, it shall go through the procedures in accordance with the Company Law, the securities regulatory rules of the place where the Company's shares are listed, and other relevant regulations and the provisions of the Articles of Association.

The Company shall not buy back its own shares. However, this does not apply in any of the following circumstances:

(I) To reduce the Company's registered capital;

(II) To merge with another company that holds the Company's shares;

(III) To use the shares for an employee stock ownership plan or equity incentive;

(IV) shareholders object to resolutions of the shareholders' meeting concerning merger or division of the Company, requiring the Company to purchase their shares;

(V) To use the shares to convert into the convertible corporate bonds issued by the Company;

(VI) When it is necessary for the Company to safeguard its own value and the rights and interests of shareholders.

The Company shall not buy back or transfer its own shares unless in the aforesaid circumstances.

The Company may buy back its own shares through public centralized trading methods or other methods recognized by laws, regulations, the China Securities Regulatory Commission (CSRC), and the securities regulatory authorities of the place where the Company's shares are listed, and shall comply with the provisions of applicable laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Buyback of the Company's shares for reasons set out in items (III), (V) and (VI) above shall be carried out through an open and centralized trading method. If the Company buys back its own shares under the circumstances specified in items (I) and (II) above, a resolution of the shareholders' meeting shall be required. If the Company buys back its own shares under the circumstances specified in items (III), (V) and (VI) above, a resolution of a Board meeting attended by more than two-thirds of the directors is required in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The buyback of the Company's H shares shall comply with the Hong Kong Listing Rules and other relevant laws, regulations, and regulatory requirements of the place where the Company's H shares are listed. If the Company buys back its own shares, it shall perform its information disclosure obligations in accordance with the applicable laws and regulations such as the Securities Law and the Hong Kong Listing Rules, as well as the relevant securities regulatory rules of the place where the Company's shares are listed.

Transfer of Shares

The shares of the Company can be transferred according to law.

All transfers of H shares shall be effected by instruments of transfer in writing in a general or ordinary form or in any other forms acceptable to the Board (including the standard transfer format or form of transfer that Hong Kong Stock Exchange may provide from time to time); the instruments of transfer may be signed by hand or (where the transferor or transferee is a corporation) by the valid corporate seal. If the transferor or the transferee is a recognized clearing house (hereinafter referred to as "Recognized Clearing House") defined in relevant ordinances of Hong Kong laws effective from time to time or agent thereof, the instruments of transfer can be signed by hand or by print. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

The Company does not accept objects pledged with its own shares.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

General Rules for Shareholders

The Company shall keep a share register according to the vouchers provided by the securities depository and clearing institution, which register bears adequate evidence of shareholders holding shares of the Company. The original copy of the register of H-share shareholders shall be kept in Hong Kong for shareholders to inspect. However, the Company may suspend the handling of shareholder registration procedures in accordance with the applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

The shareholders enjoy rights and fulfill obligations as per the class of the shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

The shareholders of the Company shall be entitled to the following rights:

(I) to receive dividends and profit distributions in any other form in proportion to the shares they hold;

(II) to lawfully require, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;

(III) to supervise, present suggestions on or make inquiries about the operations of the Company;

(IV) to transfer, give as gift or pledge their shares in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(V) to inspect and copy the Company's Articles of Association, share register, minutes of shareholders' meetings, resolutions of Board meetings, and financial and accounting reports; shareholders who meet the relevant regulations may inspect the Company's accounting books and accounting vouchers;

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;

(VII) with respect to a shareholder who votes against any resolution adopted at any shareholders' meetings on the merger or division of the Company, to request the Company to buy back the shares held by he/she/it;

(VIII) other rights stipulated 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.

Shareholders who meet the prescribed conditions and request to inspect or duplicate the accounting books or accounting vouchers of the Company or its wholly-owned subsidiaries shall submit a written request to the Company, stating their purpose.

Where the contents of a resolution of the shareholders' meeting or the Board of the Company violate the laws or administrative regulations, the shareholders shall be entitled to petition the people's court to declare the resolution invalid.

The shareholders of the Company shall undertake the following obligations:

(I) to observe the laws, administrative regulations and the Articles of Association;

(II) to make payment for shares subscribed for according to the number of shares subscribed for and the method of subscription;

(III) not to exit shares unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse shareholder's right to harm the interests of the Company or other shareholders; (V) not to abuse the Company's independent status as legal person or shareholder's limited liability to harm the interests of creditors of the Company;

(VI) to fulfill other obligations stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders of the Company who abuse shareholders' rights and cause damages to the Company or other shareholders shall be liable for compensation pursuant to the laws. Shareholders of the Company who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon interests of the Company's creditors shall assume joint and several liabilities for the Company's debts.

General Rules for the Shareholder's Meeting

The shareholders' meeting shall comprise all the shareholders. The shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers pursuant to the law:

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

(II) to consider and approve reports of the Board;

(III) to consider and approve the Company's profit distribution proposals and loss recovery proposals;

(IV) to resolve on the increase or reduction of the registered capital of the Company;

(V) to resolve on issuance of bonds of the Company;

(VI) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;

(VII) to amend the Articles of Association;

(VIII) to resolve on the engagement and dismissal of the accounting firm that undertakes the Company's auditing business;

(IX) to consider and approve the matters concerning guarantees as specified in the Articles of Association;

(X) to consider matters regarding the Company's purchase or sale of material assets within one year in excess of 30% of the latest audited total assets of the Company;

(XI) to consider and approve matters relating to the changes in the use of proceeds from share offerings;

(XII) to consider equity incentive plans and employee stock ownership plans;

(XIII) to consider other matters that should be decided by the shareholders' meeting as stipulated 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.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The Company may issue shares or corporate bonds convertible into shares by resolution of the shareholders' meeting or by resolution of the Board of Directors as authorized by the Articles of Association or the shareholders' meeting. Specific implementation shall comply with the provisions of laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

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

(I) a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;

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

(III) any guarantee provided to anyone whose liability-asset ratio exceeds 70%;

(IV) guarantees whose cumulative amount in 12 consecutive months exceeds 30% of the latest audited total assets of the Company;

(V) any guarantee provided after the total amount of external guarantee provided by the Company or its holdings subsidiaries exceeds 30% of the latest audited total assets of the Company;

(VI) guarantees provided to shareholders, de facto controllers and their related persons;

(VII) other external guarantees that should be considered by the shareholders' meeting as stipulated by the laws, administrative regulations, normative documents, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

A transaction conducted by the Company (other than the provision of guarantees or financial assistance) that meets any of the following criteria shall be submitted to the shareholders' meeting for deliberation:

(I) the total asset value involved in the transaction (the higher of the book value and the assessed value as the case may be) accounts for more than 50% of the latest audited total assets of the Company;

(II) the transaction amount accounts for more than 50% of the Company's market value;

(III) the net asset value of the transaction subject (e.g. equity) in the most recent fiscal year accounts for more than 50% of the Company's market value;

(IV) the related operating income of the transaction subject (e.g. equity) in the most recent fiscal year accounts for more than 50% of the audited operating income of the Company in such fiscal year, and exceeds RMB50 million;

(V) the transaction profit accounts for more than 50% of the audited net profit of the Company in the most recent fiscal year, and exceeds RMB5 million;

(VI) the related net profit of the transaction subject (e.g. equity) in the most recent fiscal year accounts for more than 50% of the audited net profit of the Company in such fiscal year, with an absolute amount of more than RMB5 million;

(VII) other transactions that should be considered by the shareholders' meeting as stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year, and be held within 6 months after the end of the previous fiscal year.

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

(I) the number of directors falls short of the quorum stipulated in the Company Law or is less than 2/3 of the number specified in the Articles of Association;

(II) the outstanding losses of the Company amount to one-third of the total share capital;

(III) it is required by shareholder(s) individually or jointly holding more than 10% equity of the Company;

(IV) when deemed necessary by the Board of Directors;

(V) when proposed by the Audit Committee;

(VI) other circumstances as stipulated 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.

The venue for the Company's shareholders' meeting shall be the Company's domicile or the location specified in the notice or announcement of the shareholders' meeting.

Convening of the Shareholders' Meeting

The Board of Directors shall convene shareholders' meetings within the periods specified.

With the consent of more than half of all independent directors, independent directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Where independent directors propose to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal. Where the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board of Directors; where the Board of Directors does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons thereof and make an announcement.

When the Audit Committee proposes to the Board of Directors to convene an extraordinary shareholders' meeting, it shall submit the proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

Where the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the meeting shall be issued within 5 days after the resolution is passed by the Board of Directors, and the changes made to the original proposal in the notice shall be approved by the Audit Committee.

Where the Board of Directors does not agree to convene the extraordinary shareholders' meeting, or fails to reply within 10 days upon the receipt of the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform the duty of convening a shareholders' meeting, and the Audit Committee may convene and preside over such meeting on its own.

Shareholders individually or in aggregate holding more than 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the request.

Where the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the meeting shall be issued within 5 days after the resolution is passed by the Board of Directors, and the changes made to the original request in the notice shall be approved by relevant shareholders.

If the Board of Directors refuses to convene an extraordinary shareholders' meeting or fails to give a response within 10 days after receiving the request, shareholders who individually or jointly 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 shall submit such request to the Audit Committee in writing.

Where the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request, and the changes made to the original request in the notice shall be approved by relevant shareholders.

If the Audit Committee fails to serve a notice of shareholders' meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' meeting, and the shareholders severally or jointly holding more than 10% shares of the Company for consecutively 90 days may convene and preside over the meeting by themselves.

Proposals and Notices of Shareholders' Meetings

The content of a proposal shall fall within the scope of the shareholders' meeting's powers, have a clear topic and specific resolution items, and comply with 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.

Where the Company convenes a shareholders' meeting, the Board of Directors, Audit Committee, and shareholder(s) individually or jointly holding more than 1% shares of the Company may make proposals to the Company.

The convener shall notify shareholders of annual shareholders' meeting by announcement at least 21 days in advance, and shall notify shareholders of extraordinary shareholders' meeting by announcement at least 15 days in advance.

The notice of a shareholders' meeting shall specify:

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

(II) matters and proposals submitted for consideration at the meeting;

(III) a clear statement that all ordinary shareholders, shareholders holding shares with special voting rights, and other shareholders are entitled to attend the shareholders' meeting and appoint proxies in writing to attend and vote at such meeting and that such proxies need not be shareholders of the Company;

(IV) the equity registration date of shareholders entitled to attend the shareholders' meeting;

(V) name and telephone number of the contact person of the meeting;

(VI) where a shareholders' meeting is held via online or other means, the voting time and voting procedure of such means;

(VII) other matters specified by laws and regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose the specific contents of all proposals.

After the notice of shareholders' meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefor at least 2 workdays prior to the date on which the meeting is originally scheduled. If the securities regulatory rules of the place where the Company's shares are listed contain special provisions regarding the procedures for postponing or canceling a shareholders' meeting, such provisions shall be followed, provided they do not contravene domestic regulatory requirements.

Holding of Shareholders' Meetings

The Board of Directors of the Company and other conveners shall take necessary measures to ensure the normal order of the shareholders' meeting,

All shareholders of ordinary shares and shareholders holding shares with special voting rights registered on the equity registration date or their proxies shall be entitled to attend the shareholders' meetings, and speak and exercise voting rights at the meeting in accordance with the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association (unless individual shareholders are required by the securities regulatory rules of the place where the Company's shares are listed to waive their voting rights on particular matters).

Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf. Legal person shareholders shall be represented by their legal representative or a proxy entrusted by the legal representative to attend the meeting.

If the shareholders' meeting requires directors and senior management members to attend the meeting as observers, the directors and senior management members shall attend and accept shareholders' inquiries. Provided that they comply with the securities regulatory rules of the place where the Company's shares are listed, the aforementioned individuals may attend or be present at the meeting via online platforms, video conference, telephone, or other means with equivalent effect.

The shareholders' meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting. For shareholders' meetings convened by the Audit Committee, the meeting shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting. A shareholders' meeting convened by shareholders on their own shall be presided over by the convener or a representative appointed by him/her.

The Company shall formulate the rules of procedure for shareholders' meetings, which shall specify in detail the procedures for convening, holding and voting of the shareholders' meeting, including notification, registration, review of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, and announcements, as well as the principles of authorization from the shareholders' meeting to the Board of Directors. The content of the authorization shall be clear and specific.

The presider of the meeting shall, prior to the voting, announce the number of shareholders and proxies present at the meeting on site and the total number of shares with voting rights held. The number of shareholders and proxies present at the meeting on site and the total number of shares with voting rights held shall be based on the meeting register.

The shareholders' meeting shall have meeting minutes, which shall be maintained by the secretary to the Board. The meeting minutes shall record the following contents:

(I) time, venue and agenda of the meeting, and the name or title of the convener;

(II) names of the presider of the meeting, and directors and senior management members present at the meeting;

(III) the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held and the proportion of these shares to the total number of shares of the Company;

(IV) the review process, key points of discussion, and voting results for each proposal;

(V) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;

(VI) names of the lawyers, vote counters and scrutineers;

(VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

The convener shall ensure that the contents of the meeting minutes are true, accurate and complete. Directors, the secretary to the Board, the convener or his/her representative, and the presider of the meeting attending or present at the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the signature roster of shareholders present on site, power of attorney for attendance by proxy, and valid documents of voting conducted online or through other methods, for a period of not less than 10 years.

Voting and Resolutions of Shareholders' Meetings

Resolutions of shareholders' meetings are divided into ordinary resolutions and special resolutions. Ordinary resolutions made at the shareholders' meeting shall be passed by more than half of the voting rights held by shareholders present at the shareholders' meeting. Special resolutions made at the shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

The following matters shall be passed by ordinary resolutions at the shareholders' meeting:

(I) work reports of the Board of Directors;

(II) the profit distribution plan and loss recovery plan drawn up by the Board of Directors;

(III) the appointment and removal of members of the Board of Directors and their remuneration and payment methods;

(IV) other matters than those required to be passed by a special resolution under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be passed by special resolutions at the shareholders' meeting:

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

(II) the division, spin-off, merger, dissolution and liquidation (including voluntary liquidation) of the Company;

(III) amendments to the Articles of Association;

(IV) the Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's latest audited total assets within one year;

(V) equity incentive plans;

(VI) other matters that are stipulated in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those that are determined by the shareholders' meeting to have a significant impact on the Company through ordinary resolutions and need to be passed through special resolutions.

When the shareholders' meeting deliberates on matters concerning related party transactions, related shareholders shall not participate in the voting. The number of shares with voting rights they represent shall not be included in the total number of valid votes. The announcement of the resolution of the shareholders' meeting shall fully disclose the voting results of non-related shareholders.

Save for the cumulative voting system, all proposals shall be voted on one by one at the shareholders' meeting. In the case where different proposals are made on the same matter, votes shall be cast in accordance with the sequence of the proposals presented. Unless the shareholders' meeting is suspended or no resolution may be passed due to special reasons such as force majeure, the proposals shall not be set aside and voting shall take place at the shareholders' meeting. No amendment shall be made to a proposal when it is considered at a shareholders' meeting. Any amendment shall be deemed as a new proposal and shall not be voted on at the current shareholders' meeting.

Voting at a shareholders' meeting shall be taken by registered vote.

Before proposals are voted on at the shareholders' meeting, two shareholder representatives shall be elected to participate in the vote counting and vote scrutiny. When a shareholder is interested in a matter under consideration, the relevant shareholder and the proxy shall not participate in the vote counting or vote scrutiny. When proposals are voted on at the shareholders' meeting, the lawyer and shareholder representatives shall be jointly responsible for counting and scrutinizing votes and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes. Shareholders of the Company or proxies thereof voting online or otherwise shall have the right to check their voting results via the corresponding voting system.

Shareholders attending any shareholders' meeting shall vote for or against or abstain from voting on each proposal submitted to the meeting for voting, except where the securities registration and clearing organization, as the nominal holder of shares under the Mainland-Hong Kong Stock Connect scheme, or where a Recognized Clearing House as defined in the relevant ordinance under the Hong Kong laws in force from time to time or its agent acting as the nominal holder, submits votes according to the intention of the actual holders.

If the presider of the meeting has any doubt as to the results of the resolutions submitted for voting, he/she may conduct a recount of the votes cast. If the presider of the meeting does not conduct a recount, any shareholder attending the meeting in person or by proxy shall have the right to request a recount immediately after the voting result is declared by the presider of the meeting if such shareholder or proxy objects to the voting result, in which case, the presider of the meeting shall immediately conduct a recount.

Resolutions of the shareholders' meeting shall be announced in time. The announcement shall specify the number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion of these shares to the total number of shares with voting rights of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

Directors may include executive directors, non-executive directors and independent directors (the meaning of the "independent director" is the same as that of "independent non-executive director" set out in the Hong Kong Listing Rules).

Directors of the Company shall be natural persons. Directors shall possess the qualifications required by laws, administrative regulations and rules. A person with any of the following circumstances shall not serve as a director of the Company:

(I) having no capacity for civil conduct or limited capacity for civil conduct;

(II) having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years has elapsed since the expiration of the execution period, or if on probation, less than 2 years has elapsed since the expiration of the probation period;

(III) having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years has elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(IV) having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years has elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(V) having a large-amount debt but unpaid upon maturity and being listed as a person subject to enforcement for bad credit by the people's court;

(VI) having been subject to measures restricting access to the securities market by the CSRC, where the time limit has not expired;

(VII) having been publicly designated by the stock exchange as unsuitable to serve as a director and senior management member of the listed company, where the time limit has not expired;

(VIII) other contents stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or departmental rules;

Elections and appointments or engagements of directors that violate the above provisions shall be invalid. If a director is involved in any of the aforementioned circumstances during his/her terms of office, the Company shall terminate his/her position and suspend his/her duties.

A director shall be elected or replaced by the shareholders' meeting, and his/her positions may be terminated by the shareholders' meeting before the expiration of his/her terms of office, provided that such termination shall not prejudice the director's right to claim damages under any contract. A director shall serve a term of 3 years, and may seek re-election upon expiry of the said term. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise in respect of the reelection of directors, such provisions shall prevail. The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current session 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 laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the newly elected director takes office. A senior management member may concurrently serve as a director, provided that the aggregate number of directors who concurrently serve as other senior management members and directors who are employee representatives shall not exceed one half of the total number of directors of the Company. Employee representatives on the Board of Directors shall be democratically elected by the employees of the Company through the employee representative congress, employee assembly or other forms, without requiring the deliberation by the shareholders' meeting.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall owe duties of loyalty to the Company, and take measures to avoid conflicts between their own interests and the Company's interests, and shall not seek any improper interests by taking advantage of their official powers.

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

(I) not to embezzle the property or misappropriate the funds of the Company;

(II) not to open in their own names or in others' names any bank account for the purpose of depositing any of the Company's monies;

(III) not to abuse their official powers to offer bribes or accept other unlawful income;

(IV) not to directly or indirectly conclude a contract or conduct a transaction with the Company, without reporting to the Board of Directors or the shareholders' meeting, or obtaining an approval by resolutions of the Board of Directors or the shareholders' meeting according to the Articles of Association;

(V) not to take advantage of their positions to seek any business opportunity that belongs to the Company for themselves or any other person, unless they have reported to the Board of Directors or the shareholders' meeting and have been approved by a resolution of the shareholders' meeting, or the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations, or the Articles of Association;

(VI) not to engage in any business that is similar to that of the Company for themselves or for any other person, without reporting to the Board of Directors or the shareholders' meeting, or obtaining an approval by resolutions of the shareholders' meeting;

(VII) not to take as their own any commission for any transaction between the Company and others;

(VIII) not to disclose the confidential information of the Company without authorization;

(IX) not to use their related party relations to damage the interests of the Company;

(X) other duties of loyalty as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

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

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall owe duties of diligence to the Company and, in performing their duties, shall exercise reasonable care that a manager would normally exercise for the best interests of the Company.

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

(I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business activities of the Company comply with the national laws, administrative regulations and various national economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the business license;

(II) to treat all shareholders fairly;

(III) to keep abreast of the Company's business operations and management status;

(IV) to sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;

(V) to honestly provide the Audit Committee with relevant information and materials, and not to prevent the Audit Committee from exercising its functions and powers;

(VI) other duties of diligence as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

A director may resign before the expiration of his/her term of office. The resignation of a director shall be submitted to the Company in the form of a written resignation report. A director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information within two trading days. The Company shall establish a management system for directors' resignation, specifying safeguard measures for the accountability and recovery of liabilities in respect of unfulfilled public commitments and other outstanding matters. If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board of Directors. His/her obligations of loyalty to the Company and shareholders shall not terminate automatically upon expiry of his/her term of office but shall still be valid within a reasonable period specified in the Articles of Association. The liability of a director for performance of his/her duties during his/her term of office shall not be exempted or terminated upon his/her departure.

Save as specified in the Articles of Association or legally authorized by the Board of Directors, no director shall act on behalf of the Company or the Board of Directors in his/her personal name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board of Directors, the said director shall make a prior statement of his/her standpoint and capacity.

When a director, in the performance of his/her duties for the Company, causes damage to any other party, the Company shall bear the liability for compensation. If the director is found to have acted with intent or gross negligence, he/she shall also be liable for compensation. Where directors, in the performance of their duties to the Company, violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company, they shall be liable for compensation.

Board of Directors

The Company shall establish a Board of Directors, which shall be composed of 5 to 9 directors, including not less than one-third independent directors and one employee representative director. The Board of Directors shall have one chairman and may have a vice-chairman if necessary. Both the chairman and the vice-chairman of the Board shall be elected by more than half of all directors.

The Board of Directors shall exercise the following functions and powers:

(I) to convene the shareholders' meetings and report to the shareholders' meetings on its work;

(II) to execute resolutions of the shareholders' meetings;

(III) to determine the Company's operational plans and investment plans;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;

(VI) to draft plans for the Company's major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(VII) to decide on matters such as the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, and external donations, within the scope authorized by the shareholders' meeting;

(VIII) to decide on the establishment of the Company's internal management structure;

(IX) to decide on appointment or dismissal of the Company's general manager, secretary to the Board and other senior management members, and determine their remuneration and matters of reward and punishment; based on the general manager's nomination, to decide on appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management members, and determine their remuneration and matters of reward and punishment;

(X) to formulate the Company's basic management system;

(XI) to formulate proposals for amendments to the Articles of Association;

(XII) to manage the Company's information disclosure matters;

(XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firm for the Company's audit;

(XIV) to listen to the work reports of the Company's general manager and review the work of the general manager;

(XV) to exercise other functions and powers 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, or granted by the shareholders' meeting.

Matters that exceed the scope of authority granted by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The Board of Directors shall determine the authority over matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, and external donations, and shall establish strict review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' meeting for approval.

Transactions (excluding provision of guarantee or financial assistance) of the Company meeting any of the following standards shall be submitted to the Board of Directors for consideration:

(I) the total asset value involved in the transaction (the higher of the book value and the assessed value as the case may be) accounts for more than 10% of the latest audited total assets of the Company;

(II) the transaction amount exceeds 10% of the Company's market capitalization;

(III) the net asset value of the object of transaction (e.g., equity) in the latest fiscal year accounts for more than 10% of the Company's market capitalization;

(IV) the related operating income of the object of transaction (e.g. equity) in the latest fiscal year accounts for more than 10% of the audited operating income of the Company in the latest fiscal year, with the amount of more than RMB10 million;

(V) the transaction profit accounts for more than 10% of the audited net profit of the Company in the latest fiscal year, with the amount of more than RMB1 million;

(VI) the related net profit of the object of transaction (e.g. equity) in the latest fiscal year accounts for more than 10% of the audited net profit of the Company in the latest fiscal year, with the amount of more than RMB1 million.

The following related party transactions of the Company shall be approved by resolution of the Board of Directors:

(I) related party transactions between the Company and a related natural person, where the transaction amount exceeds RMB300,000 (excluding guarantees provided by the Company);

(II) related party transactions between the Company and a related legal person, where the transaction amount exceeds RMB3 million and represents more than 0.1% of the absolute value of the latest audited total assets of the Company (excluding guarantees provided by the Company).

The chairman of the Board shall exercise the following powers and functions:

(I) to preside over shareholders' meetings, and convene and preside over Board meetings;

(II) to supervise and inspect the implementation of resolutions passed by the Board of Directors;

(III) to exercise other functions and powers conferred by the Board of Directors.

A vice-chairman of the Board shall assist in the work of the chairman. If the chairman of the Board is unable or fails to perform duties thereof, such duties shall be performed by the vice-chairman. In the event that there is no vice-chairman of the Board or the vice-chairman is unable or fails to perform duties thereof, a director shall be elected jointly by more than a half of the directors to perform such duties.

The Board of Directors shall hold at least four regular meetings annually, which shall be convened by the chairman of the Board, with the notice of meeting sent to all the directors 14 days before the date of meeting. Extraordinary meetings may be convened upon proposal by shareholders representing more than one-tenth of the total voting rights, more than one-third of the directors, or by the Audit Committee. The chairman of the Board shall convene and preside over the Board meeting within 10 days after receipt of the proposal.

Notice for an extraordinary Board meeting shall be given to all directors at least three days prior to the meeting, by personal delivery, mail (including email) or telephone.

The notice of Board meeting shall specify:

(I) the date and venue of the meeting;

(II) the duration of the meeting;

(III) the purpose and agenda items;

(IV) the date on which the notice is sent.

A Board meeting shall be held only if more than half of the directors are present. Any Board resolution shall be subject to the approval of a majority of all the directors. Each director shall have one vote on any resolution put to vote by the Board of Directors.

Resolutions of the Board shall be voted on by way of open ballot or a show of hands, and directors voting by way of a show of hands shall sign the written resolution or minutes to confirm their voting opinions. The Board of Directors may hold meetings and adopt resolutions by means of electronic communication, provided that the directors are afforded an adequate opportunity to express their opinions, and the attending directors shall sign such resolutions or minutes.

Directors shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he/she may issue a written power of attorney to authorize another director to attend the meeting on behalf thereof, which power of attorney shall specify the name of the proxy, the matters to be handled in proxy and scope and validity period of authorization, and shall bear the signature or seal of the principal. Any director attending the meeting on behalf of another director shall exercise the rights of directors within the scope of authorization. If a director fails to attend a Board meeting in person or by proxy, the said director shall be deemed as having waived his/her right to vote at the meeting.

The Board of Directors shall make minutes of decisions on the matters discussed at the meeting, and the directors present shall sign the meeting minutes. The minutes of Board meetings shall be kept as the Company's archives for a period of not less than 10 years.

The minutes of a Board meeting shall specify:

(I) the date and venue of the meeting and the name of the convener;

(II) the names of the attending directors and the directors (proxies) attending the meeting on behalf of others;

(III) the agenda of the meeting;

(IV) key points of the speeches of directors;

(V) the voting method and result for each resolution (the voting result shall specify the number of votes in favour, against or abstained).

Independent Directors

Independent directors shall conscientiously perform their duties in accordance 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, play a role in participating in decision-making, exercising oversight and checks and balances, and providing professional advice in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Independent directors must maintain their independence. The following persons shall not serve as independent directors:

(I) persons who hold positions in the Company or its affiliated enterprises, and their spouses, parents, children, and major social relations;

(II) natural person shareholders that directly or indirectly hold more than 1% of the Company's issued shares or are among the top 10 shareholders of the Company, and their spouses, parents, and children;

(III) persons who hold positions in shareholders directly or indirectly holding more than 5% of the Company's issued shares or the top 5 shareholders of the Company, and their spouses, parents, and children;

(IV) persons employed by the affiliated enterprises of the Company's controlling shareholders or actual controllers, and their spouses, parents, and children;

(V) persons who have significant business dealings with the Company, its controlling shareholders, its actual controllers, or their respective affiliated enterprises, or persons who hold positions in entities with significant business dealings or their controlling shareholders or actual controllers;

(VI) persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholders, its actual controllers, or their respective affiliated enterprises, including but not limited to all members of the project team, all levels of review personnel, signatories on reports, partners, directors, senior management members and principal responsible persons of intermediaries providing such services;

(VII) persons who have fallen under any of the circumstances listed in the preceding six items within the last twelve months;

(VIII) other persons who lack independence as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, business rules of the Shanghai Stock Exchange and the Articles of Association.

Independent directors must maintain their independence. The following persons shall not serve as independent directors:

(I) persons who hold positions in the Company or its affiliated enterprises, and their spouses, parents, children, and major social relations;

(II) natural person shareholders that directly or indirectly hold more than 1% of the Company's issued shares or are among the top 10 shareholders of the Company, and their spouses, parents, and children;

(III) persons who hold positions in shareholders directly or indirectly holding more than 5% of the Company's issued shares or the top 5 shareholders of the Company, and their spouses, parents, and children;

(IV) persons employed by the affiliated enterprises of the Company's controlling shareholders or actual controllers, and their spouses, parents, and children;

(V) persons who have significant business dealings with the Company, its controlling shareholders, its actual controllers, or their respective affiliated enterprises, or persons who hold positions in entities with significant business dealings or their controlling shareholders or actual controllers;

(VI) persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholders, its actual controllers, or their respective affiliated enterprises, including but not limited to all members of the project team, all levels of review personnel, signatories on reports, partners, directors, senior management members and principal responsible persons of intermediaries providing such services;

(VII) persons who have fallen under any of the circumstances listed in the preceding six items within the last twelve months;

(VIII) other persons who lack independence as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, business rules of the Shanghai Stock Exchange and the Articles of Association.

As members of the Board, independent directors owe duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

(I) participating in Board decision-making and expressing clear opinions on the matters under discussion;

(II) overseeing matters involving potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior management members, and protecting the legitimate rights and interests of minority shareholders;

(III) providing professional and objective recommendations for the business development of the Company and promoting improvement of Board decision-making level;

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

Independent directors shall exercise the following special functions and powers:

(I) independently engaging intermediaries to conduct audits, provide consulting services, or perform verification in respect of specific matters of the Company;

(II) proposing to the Board of Directors the convening of an extraordinary shareholders' meetings;

(III) proposing the convening of a Board meeting;

(IV) soliciting shareholder rights from shareholders publicly in accordance with law;

(V) expressing independent opinions on matters that may harm the rights and interests of the Company or minority shareholders;

(VI) other functions and powers stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The following matters shall be submitted to the Board of Directors for consideration after obtaining the approval of more than half of all independent directors of the Company:

(I) discloseable related party transactions;

(II) proposals for the amendment or waiver of undertakings by the Company and relevant parties;

(III) decisions made and measures taken by the board of directors of the listed company subject to acquisition in relation to the acquisition;

(IV) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company shall establish a mechanism for special meetings attended solely by independent Directors. Related party transactions shall be pre-approved by the independent directors' special meeting before being submitted to the Board of Directors for consideration. Minutes shall be made for the independent directors' special meeting according to regulations, and shall record the opinions of independent directors. Independent directors shall sign to confirm the meeting minutes. The Company shall facilitate and support the convening of the independent directors' special meeting.

Special Committees of the Board

The Board of Directors shall establish an Audit Committee to exercise the powers and functions of the Board of Supervisors as stipulated in the Company Law. The Audit Committee comprises three to four members who are directors and do not hold any senior management position in the Company. Independent directors shall constitute a majority of the committee members, and the convener shall be an independent director with accounting expertise.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating internal and external audit work, as well as internal controls. The following matters shall be submitted to the Board of Directors for deliberation upon approval by a majority of all members of the Audit Committee:

(I) disclosing financial information and internal control evaluation reports in financial accounting reports and periodic reports;

(II) hiring or dismissing accounting firms conducting audit engagements for the listed company;

(III) appointing or dismissing the chief financial officer of the listed company;

(IV) making changes in accounting policies and estimates or correction of significant accounting errors for reasons other than changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Meetings of the Audit Committee shall be held at least once every quarter. An extraordinary meeting can be held upon the proposal of two or more members, or when deemed necessary by the convener. Meetings of the Audit Committee shall be held only with the presence of more than two-thirds of members. Resolutions made by the Audit Committee must be approved by a majority of all members. Resolutions of the Audit Committee shall be voted on as per "one person, one vote" system. The resolutions of the Audit Committee shall be recorded in meeting minutes in accordance with regulations, and members of the Audit Committee attending the meeting shall sign the meeting minutes. The working rules for the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, including a Strategy and ESG (Environmental, Social and Governance) Committee, a Nomination Committee, and a Remuneration and Appraisal Committee. Each special committee shall perform its duties in accordance with the Articles of Association and the authorization granted by the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision. The working rules for special committees shall be formulated by the Board of Directors.

All members of the special committees shall be directors. For the Nomination Committee and Remuneration and Appraisal Committee, independent directors shall constitute a majority of the members, and an independent director shall serve as convener.

The Nomination Committee shall be responsible for formulating the selection standards and procedures for directors and senior management members, selecting and reviewing the candidates for directors and senior management members and their qualifications for office and making recommendations to the Board of Directors on the following matters:

(I) the nomination, appointment or removal of directors;

(II) the appointment or dismissal of senior management members;

(III) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or fully adopt the recommendations of the Nomination Committee, the Board resolution shall record the views of the Nomination Committee and the specific reasons for non-adoption, which shall also be disclosed accordingly.

The Remuneration and Appraisal Committee shall be responsible for formulating appraisal standards for directors and senior management members, conducting appraisals, and developing and reviewing remuneration policies and plans, including the remuneration determination mechanism, decision-making processes, payment and stop-payment recourse arrangements for directors and senior management members. It shall also provide recommendations to the Board of Directors on the following matters:

(I) the remuneration of directors and senior management members;

(II) formulation or amendment of equity incentive plans or employee stock ownership plans, and the satisfaction of conditions for participants to receive or exercise their rights;

(III) the arrangement of stock ownership plans for directors and senior management members in the event of a proposed spin-off of a subsidiary;

(IV) other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If the Board of Directors does not adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board resolution shall record the views of the Remuneration and Appraisal Committee and the specific reasons for non-adoption, which shall also be disclosed accordingly.

The Strategy and ESG Committee shall be primarily responsible for studying the long-term development strategies, material investment decisions and ESG-related matters of the Company and making recommendations to the Board of Directors thereon.

Senior Management Members

The Company shall have one general manager, whose appointment and dismissal shall be determined by the Board of Directors. The Company shall have several deputy general manager, whose appointment and dismissal shall be determined by the Board of Directors.

Any person who takes an administrative role other than a director or a supervisor in an entity which is the controlling shareholder of the Company shall not serve as a senior management member of the Company. Senior management members of the Company shall receive their remuneration solely from the Company and shall not have their salaries paid by any controlling shareholder on behalf of the Company.

The general manager shall serve a term of three years and may serve consecutive terms upon re-appointment.

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

(I) to preside over the Company's production, operation and management, organize the implementation of Board resolutions, and report to the Board on such work;

(II) to organize the implementation of the Company's annual business plan and investment plan;

(III) to formulate proposals for the establishment of the Company's internal management structure;

(IV) to formulate the Company's basic management systems;

(V) to formulate the Company's specific rules and regulations;

(VI) to propose to the Board of Directors the appointment or dismissal of the deputy general manager, chief financial officer and other senior management members of the Company;

(VII) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal is required to be decided by the Board of Directors; and

(VIII) to exercise such other powers and functions as conferred by the Articles of Association or by the Board of Directors.

The general manager shall attend Board meetings as a non-voting participant.

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

(I) to preside over the Company's production, operation and management, organize the implementation of Board resolutions, and report to the Board on such work;

(II) to organize the implementation of the Company's annual business plan and investment plan;

(III) to formulate proposals for the establishment of the Company's internal management structure;

(IV) to formulate the Company's basic management systems;

(V) to formulate the Company's specific rules and regulations;

(VI) to propose to the Board of Directors the appointment or dismissal of the deputy general manager, chief financial officer and other senior management members of the Company;

(VII) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal is required to be decided by the Board of Directors; and

(VIII) to exercise such other powers and functions as conferred by the Articles of Association or by the Board of Directors.

The general manager shall attend Board meetings as a non-voting participant.

The Company shall appoint a secretary to the Board, who shall be responsible for the preparation of shareholders' meetings and Board meetings, the custody of relevant documents, the management of shareholder information of the Company, and the handling of information disclosure matters, among other duties. The secretary to the Board shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where senior management members, in the course of performing their duties for the Company, cause losses to others, the Company shall bear the liability for compensation; where such senior management members act intentionally or with gross negligence, they shall also bear liability for compensation. Where senior management members violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association in the performance of their duties, thereby causing losses to the Company, they shall be liable for compensation.

Senior management members of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. Where senior management members fail to faithfully perform their duties or breach their duty of good faith, thereby causing damage to the interests of the Company or public shareholders, they shall bear liability for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, and the provisions of the relevant competent state authorities. The Company's fiscal year shall adopt the Gregorian calendar year, commencing on January 1 and ending on December 31 of each calendar year. The Company's fiscal year shall adopt the Gregorian calendar year, commencing on January 1 and ending on December 31 of each calendar year.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange at the place where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange at the place where the Company's shares are listed.

When distributing its after-tax profits for the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. Where the cumulative balance of the Company's statutory reserve fund has reached or exceeds 50% of the Company's registered capital, further allocation is not required. If the statutory reserve fund of the Company is insufficient to cover losses incurred in previous years, the current year's profits shall first be used to cover such losses before allocating to the statutory reserve fund in accordance with the preceding paragraph. After allocating the statutory reserve fund from after-tax profits, the Company may, upon resolution of the shareholders' meeting, allocate discretionary reserve funds from after-tax profits. The remaining after-tax profits after covering losses and making allocations to reserve funds shall be distributed to shareholders in proportion to their respective shareholdings, except where the Articles of Association provide otherwise.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; where losses are caused to the Company, the shareholders and the responsible directors and senior management members shall be liable for compensation.

Shares of the Company held by the Company itself shall not participate in profit distribution. The Company shall appoint one or more receiving agents in Hong Kong for holders of H Shares. Such receiving agent(s) shall, on behalf of the relevant H Shareholders, receive and hold dividends distributed in respect of H Shares and other monies payable by the Company in respect of such shares pending payment to such H Shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

The principles for profit distribution of the Company are as follows: profit distribution shall place emphasis on providing reasonable investment returns to investors and shall be conducive to the long-term development of the Company.

Interval of profit distribution: subject to the satisfaction of the conditions for profit distribution, the Company shall in principle conduct profit distribution at least once each year. The Company may implement interim profit distribution based on its operating conditions and capital requirements, and the Board of Directors may propose interim profit distribution based on the Company's capital position.

Forms of profit distribution: the Company may adopt cash dividends, share dividends, or a combination of cash and share dividends. Where the conditions for cash dividends are satisfied, the Company shall give priority to the distribution of dividends in cash. The Company shall maintain the continuity and stability of its dividend policy. The cumulative cash dividends distributed by the Company in the most recent three years shall not be less than 30% of the average annual distributable profits realized in the most recent three years. The target of the Company's cash dividend policy is the residual dividend policy.

Where the Company's operating conditions are sound and the Board of Directors considers that the Company's share price does not match the scale of its share capital and that the distribution of share dividends is beneficial to the overall interests of all shareholders, the Company may, subject to the conditions for cash dividends as provided in the Articles of Association, propose a plan for the distribution of share dividends.

The implementation of cash dividends by the Company shall simultaneously satisfy the following conditions:

(I) the distributable profit realized by the Company for that year (i.e., the after-tax profit remaining after covering losses and making allocations to reserve funds) is positive and the Company has sufficient cash flow, and the implementation of cash dividends will not affect the Company's sustainable operations;

(II) the Company's accumulated distributable profits are positive;

(III) the audit institution has issued a standard unqualified audit opinion on the Company's financial report for that year;

(IV) the Company's normal production and operation capital requirements are satisfied and there are no major investment plans or significant cash expenditures (excluding fund-raising investment projects); and

(V) no other special circumstances exist under which profit distribution is deemed inappropriate as confirmed by a resolution of the shareholders' meeting.

Within the scope of authorization granted by the shareholders' meeting, the Board of Directors of the Company shall comprehensively consider factors such as industry characteristics, stage of development, the Company's own business model, profitability level, and whether there are arrangements for significant capital expenditures, and distinguish among the following circumstances in proposing differentiated cash dividend policies in accordance with the procedures set out in the Articles of Association:

(I) where the Company is at a mature stage of development and has no arrangements for significant capital expenditures, the proportion of cash dividends in the current profit distribution shall be no less than 80%;

(II) where the Company is at a mature stage of development and has arrangements for significant capital expenditures, the proportion of cash dividends in the current profit distribution shall be no less than 40%;

(III) where the Company is at a growth stage and has arrangements for significant capital expenditures, the proportion of cash dividends in the current profit distribution shall be no less than 20%.

The Company's reserve funds shall be used to cover losses of the Company, expand the Company's production and operations, or be converted into an increase of the Company's registered capital. When reserve funds are used to cover losses of the Company, discretionary reserve funds and statutory reserve funds shall first be used; where losses still cannot be fully covered, capital reserve funds may be used in accordance with relevant provisions. Where the statutory reserve fund is converted into an increase of registered capital, the balance of such statutory reserve fund retained shall not be less than 25% of the Company's registered capital prior to such conversion.

Internal Audit

The Company shall implement an internal audit system that clearly specifies the leadership structure, duties and authorities, staffing, funding guarantees, application of audit results, and accountability mechanisms for internal audit work.

The Company's internal audit institution shall conduct supervision and inspection of matters including the Company's business activities, risk management, internal control, and financial information.

The internal audit institution shall be accountable to the Board of Directors. In the course of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit institution identifies any material issues or relevant leads, it shall report directly to the Audit Committee immediately.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to conduct audits of the Company's financial statements, verification of net assets, and other related consulting services. The term of engagement shall be one year and may be renewed upon expiry.

The appointment or dismissal of the accounting firm by the Company shall be decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm prior to a decision by the shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with truthful and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting information, and shall not refuse to provide, conceal, or falsify such materials.

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

Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may take the form of a merger by absorption or a merger by the establishment of a new company. In the case of a merger by absorption, one company absorbs other companies and the absorbed company or companies shall be dissolved. In the case of a merger by establishment of a new company, two or more companies merge to establish a new company, and all parties to the merger shall be dissolved.

Upon a merger of the Company, the creditor's rights and debts of the parties to the merger shall be succeeded by the surviving company after the merger or by the newly established company. Where the Company is divided, its assets shall be divided accordingly.

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets, and shall reduce the amount of capital contribution or shares in proportion to the shares held by the shareholders, unless otherwise provided by laws or the Articles of Association.

Where the Company still has losses after making up losses in accordance with the Articles of Association, it may reduce its registered capital to cover such losses. Where registered capital is reduced to cover losses, the Company shall not distribute funds to shareholders nor exempt shareholders from their obligations to make capital contributions or pay for their shares.

Where the registered capital is reduced in violation of the Company Law or other relevant provisions, shareholders shall return the funds they have received, and where shareholders' capital contributions have been reduced or exempted, they shall be restored to their original status. Where losses are caused to the Company, the shareholders and the responsible directors and senior management members shall bear liability for compensation.

Where the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles of Association or resolved by the shareholders' meeting granting shareholders such pre-emptive rights.

Where the Company undergoes a merger or division resulting in changes to registered matters, it shall apply for change registration with the company registration authority in accordance with the law. Where the Company is dissolved, it shall apply for cancellation registration in accordance with the law. Where a new company is established, registration for establishment shall be handled in accordance with the law. Where the Company increases or reduces its registered capital, it shall apply for change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved under any of the following circumstances:

(I) where any cause for dissolution as stipulated in the Articles of Association occurs;

(II) where a resolution for dissolution is adopted by the shareholders' meeting;

(III) where dissolution is required as a result of a merger or division of the Company;

(IV) where the Company's business license is revoked in accordance with the law, or the Company is ordered to close down or is revoked; or

(V) where the Company encounters serious difficulties in its operation and management and its continued existence would cause substantial losses to the interests of shareholders, and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

Where any of the above circumstances for dissolution arises, the Company shall publicly disclose the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is dissolved pursuant to items (I), (II), (IV), or (V) above, liquidation shall be conducted. Directors shall be the persons responsible for liquidation obligations and shall form a liquidation committee within 15 days from the date on which the cause for dissolution arises to carry out liquidation. The liquidation committee shall be composed of the directors or other persons selected by resolution of the shareholders' meeting. Where the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall bear liability for compensation.

During the liquidation period, the liquidation committee shall exercise the following powers:

(I) to take inventory of the Company's assets and prepare a balance sheet and an inventory of assets;

(II) to notify and make public announcements to creditors;

(III) to handle the Company's outstanding business affairs related to liquidation;

(IV) to settle outstanding taxes and taxes arising during the liquidation process;

(V) to settle creditor's rights and debts;

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

(VII) to represent the Company in civil litigation activities.

The liquidation committee shall notify creditors within 10 days from the date of its establishment and shall make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System and the HKEXnews website of the Hong Kong Stock Exchange within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received such notice. When declaring claims, creditors shall explain relevant matters relating to their claims and provide supporting materials. The liquidation committee shall register the claims.

After taking inventory of the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation. After the Company's assets have been used to pay liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes, and the Company's debts, the remaining assets shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out business activities unrelated to liquidation. Before the Company's assets are settled in accordance with the above provisions, they shall not be distributed to shareholders.

If, after taking inventory of the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee finds that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the completion of liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company's registration. Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be conducted in accordance with the relevant laws governing enterprise bankruptcy.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

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

(I) where, after amendments to the Company Law, or relevant laws, administrative regulations, 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 amended provisions;

(II) where the Company's circumstances change and become inconsistent with the matters recorded in the Articles of Association; or

(III) where the shareholders' meeting resolves to amend the Articles of Association.

Where amendments to the Articles of Association adopted by resolution of the shareholders' meeting require approval by the competent authority, such amendments shall be submitted to the competent authority for approval. Where the amendments involve matters requiring company registration, change registration shall be handled in accordance with the law. Where the amendments involve information required to be disclosed under laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed, they shall be publicly announced in accordance with the relevant provisions.