This appendix provides investors with a summary of the Articles of Association. As the following is only a summary, it may not contain all the information that is important to investors.

ISSUE OF SHARES

The issue of the Company's shares shall adhere to the principles of openness, fairness and justice, and each share of the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price; Subscribers shall pay the same price for each share subscribed for.

INCREASE AND DECREASE OF SHARES

The Company may, in light of its operational and development needs and in accordance with the provisions of laws and regulations, increase its capital in the following ways, upon resolutions passed at a shareholders' meeting respectively:

(i) issuing shares to the public;

(ii) issuing shares to specified parties;

(iii) distributing bonus shares to existing shareholders;

(iv) capitalizing reserves into share capital;

(v) other methods stipulated by laws and administrative regulations and approved by the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

The Company may reduce its registered capital. To reduce its registered capital, the Company shall follow the procedures stipulated in the PRC Company Law, other relevant regulations and the Articles of Association.

SHARE REPURCHASE

The Company may, under the following circumstances, acquire its own shares in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association:

(i) to reduce the Company's registered capital;

(ii) to merge with another company that holds shares in the Company;

(iii) to use the shares for employee share ownership schemes or equity incentive schemes;

(iv) where a shareholder objects to a resolution of the shareholders' meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares;

(v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;

(vi) where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders;

(vii) other circumstances permitted by laws and administrative regulations.

Except under the aforementioned circumstances, the Company shall not acquire its own shares.

The Company may acquire its own shares through public centralized trading, or by other means permitted by laws and regulations, the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, such acquisition shall be conducted through public centralized trading.

Where the Company acquires its own shares under the circumstances stipulated in items (i) and (ii) above, a resolution shall be passed at a shareholders' meeting; Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, such acquisition shall be approved by a resolution passed at a Board meeting attended by more than two-thirds of the directors.

TRANSFER OF SHARES

The Company's shares may be transferred in accordance with the law.

The Company does not accept its own shares as the subject of a pledge.

Shares issued by the Company before its public offering shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange; The aforesaid shares may be placed in custody with the sponsor providing listing sponsorship services for the Company before the Company's listing, and the sponsor shall, in accordance with the business rules of the Shanghai Stock Exchange, supervise and manage the transaction instructions of shareholders for reducing their holdings of pre-listing shares.

During their term of office, the directors and senior management of the Company shall not transfer more than 25% of the total number of the Company's shares they hold each year; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company.

Where a director, senior management member, or a shareholder holding more than 5% of the Company's shares sells the Company's stock or other equity-like securities held by them within six months of purchase, or repurchases them within six months of selling, the proceeds therefrom shall belong to the Company, and the Company's Board of Directors shall recover such proceeds. However, an exception is made for a securities firm holding more than 5% of the shares as a result of purchasing unsubscribed shares in an underwriting, and for other circumstances stipulated by the CSRC. Where laws, regulations and the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

General Provisions for Shareholders

The Company shall establish a register of shareholders based on the credentials provided by the securities registration and clearing institution, and the register of shareholders shall be sufficient evidence of the shareholders' holdings of the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The principal register of shareholders of H Shares listed in Hong Kong shall be kept in Hong Kong for inspection by shareholders, but the Company may close the register of members in accordance with applicable laws, regulations and the securities regulatory rules of the place where the Company's shares are listed. Any shareholder whose name is registered in the register of shareholders of H Shares or any person who requests his/her name (or title) to be registered in the register of shareholders of H Shares may, if his/her share certificate is lost, apply to the Company for a new share certificate in respect of such shares. Where a shareholder of overseas-listed foreign shares loses his/her/its share certificate and applies for a replacement, the matter may be handled in accordance with the laws, rules of the securities exchange or other relevant provisions of the place where the original register of shareholders of overseas-listed foreign shares is kept.

The Articles of Association, resolutions of the shareholders' meeting or resolutions of the Board of Directors shall be in compliance with laws and regulations, and shall not deprive or restrict the statutory rights of shareholders. In corporate governance, the rights of shareholders shall be protected in accordance with the law, with an emphasis on protecting the legitimate rights and interests of small and medium-sized shareholders.

When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other activities that require confirmation of shareholder identity, the Board of Directors or the convener of the shareholders' meeting shall determine the share registration date. Shareholders registered on the register of shareholders after the close of business on the share registration date shall be the shareholders entitled to the relevant rights and interests.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other forms of profit distribution in proportion to their shareholdings;

(ii) to request, convene, preside over, attend or appoint a shareholder's proxy to attend a shareholders' meeting in accordance with the law, and to exercise the corresponding right to speak and voting rights;

(iii) to supervise the Company's operations and to make suggestions or inquiries;

(iv) to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations and the Articles of Association;

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

(vi) upon the termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to their shareholdings;

(vii) to demand that the Company acquire his/her/its shares if he/she/it objects to a resolution of the shareholders' meeting on the merger or division of the Company;

(viii) other rights stipulated by 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 request to inspect and copy relevant materials of the Company shall comply with the provisions of the PRC Company Law, the Securities Law, other laws and administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed. Shareholders who request to inspect the relevant information or obtain the materials mentioned in the preceding article shall provide the Company with written documents verifying the class and number of shares they hold and other supporting documents required by the Company, and the Company shall provide such information or materials upon request after verifying the shareholder's identity; The Company may refuse to provide the content if its provision may lead to the disclosure of the Company's commercial secrets, inside information or the personal privacy of relevant personnel, or other circumstances that may harm the interests of the Company.

The Company shall establish smooth and effective communication channels with its shareholders to protect their rights to know, participate in decision-making and supervise major matters of the Company.

If the content of a resolution of the Company's shareholders' meeting or Board of Directors violates laws or administrative regulations, shareholders have the right to request a people's court to declare it invalid.

If the convening procedures or voting methods of a shareholders' meeting or Board meeting violate laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right, within 60 days from the date the resolution is made, to request a people's court to set it aside. However, this does not apply if the convening procedures or voting methods of the shareholders' meeting or Board meeting have only minor flaws that do not have a substantial impact on the resolution.

If there is a dispute among the Board of Directors, shareholders and other relevant parties regarding the validity of a resolution of a shareholders' meeting, a lawsuit shall be promptly filed with a people's court. Pending a judgment or ruling from a people's court to nullify a resolution, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, its directors and senior management shall duly perform their duties to ensure the normal operation of the Company.

If a people's court makes a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling becomes effective. Where the correction of prior period matters is involved, such matters shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.

Controlling shareholders and De Facto Controllers

The Company's Controlling shareholders and De Facto Controllers shall exercise their rights and perform their obligations in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, the CSRC and the stock exchange, and safeguard the interests of the listed company.

If the Company has no controlling shareholder or de facto controller, its largest shareholder and its de facto controller shall perform relevant obligations and assume corresponding responsibilities by reference to the requirements for controlling shareholders and de facto controllers in the Articles of Association.

General Provisions for General Meetings

The Company's shareholders' meeting shall be composed of all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise the following powers in accordance with the law:

(i) to elect and replace directors and to decide on matters concerning their remuneration;

(ii) to consider and approve the reports of the Board of Directors;

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

(iv) to pass resolutions on the increase or decrease of the Company's registered capital;

(v) to pass resolutions on the issue of corporate bonds;

(vi) to pass resolutions on the merger, division, dissolution, liquidation or change of the Company's form;

(vii) to amend the Articles of Association;

(viii) to pass resolutions on the appointment or dismissal of the accounting firm that undertakes the Company's audit business and the determination of its remuneration;

(ix) to consider guarantee matters that are required by the Articles of Association to be submitted to the shareholders' meeting for consideration and approval;

(x) to consider matters relating to the purchase or sale of material assets by the Company within one year where the total assets involved or the transaction amount exceeds 30% of the Company's latest audited total assets;

(xi) to consider and approve matters concerning changes in the use of proceeds;

(xii) to consider equity incentive schemes, option plans and employee share ownership schemes;

(xiii) to pass resolutions on the acquisition of the Company's own shares due to a reduction of the Company's registered capital or a merger with another company that holds shares in the Company;

(xiv) to consider and approve the purchase of liability insurance for the directors and senior management of the Company;

(xv) to consider other matters that are required to be decided by the shareholders' meeting as stipulated by 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 pass resolutions on the issue of corporate bonds.

Where the shareholders' meeting authorizes the Board of Directors to exercise relevant powers, the content of the authorisation shall be clear and specific. The statutory powers of the shareholders' meeting shall not be exercised on its behalf by the Board of Directors or other institutions or individuals in the form of authorisation.

The Company shall convene an extraordinary shareholders' meeting within 2 months from the date of the occurrence of any of the following circumstances:

(i) when the number of directors is less than the number required by the PRC Company Law or two-thirds of the number specified in the Articles of Association;

(ii) when the Company's unrecovered losses amount to 1/3 of the total share capital;

(iii) upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares;

(iv) when the Board of Directors deems it necessary;

(v) when the Audit Committee proposes to convene a meeting;

(vi) other circumstances stipulated by 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 shareholding percentage under item (iii) above shall be calculated based on the Company's shares held by the shareholder on the date of submitting the written request.

A shareholders' meeting shall have a physical venue and be held by a combination of a physical meeting and online voting. In addition, the Company's shareholders' meeting may also be held by electronic communication, and shareholders may attend virtually using technology. The Company will also provide online or electronic voting to facilitate shareholders.

Convening of General Meetings

The Board of Directors shall convene the shareholders' meeting on time within the prescribed period.

With the consent of more than half of all independent directors, the independent directors have the right to propose to the Board of Directors that an extraordinary shareholders' meeting be convened. In response to a proposal from independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary shareholders' meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days of the Board's resolution; if the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall propose to the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary shareholders' meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days of the Board's resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to respond within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or failing to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares shall request the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary shareholders' meeting within 10 days of receiving the request, and shall not delay without due cause.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days of the Board's resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to respond within 10 days of receiving the request, a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares may propose to the Audit Committee that an extraordinary shareholders' meeting be convened, and shall submit the request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the shareholders' meeting, and a shareholder or shareholders holding, individually or jointly, 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

Proposals and Notices of General Meetings

The content of a proposal shall fall within the scope of powers of the shareholders' meeting, have a clear topic and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding, individually or jointly, 1% or more of the Company's shares have the right to submit proposals to the Company.

A shareholder or shareholders holding, individually or jointly, 1% or more of the Company's shares may submit an extraordinary proposal in writing to the convener 10 days before the shareholders' meeting is held. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the shareholders' meeting to inform of the content of the extraordinary proposal, and shall submit such extraordinary proposal to the shareholders' meeting for consideration. This shall not apply if the extraordinary proposal is in violation of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or if the subject matter of the proposal does not fall within the scope of powers of the shareholders' meeting.

Except in the circumstances stipulated in the preceding paragraph, the convener shall not amend the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the announcement of the notice of the shareholders' meeting.

Proposals not listed in the notice of the shareholders' meeting or not in compliance with the provisions of the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

The convener shall notify all shareholders by way of announcement 20 days prior to an annual shareholders' meeting, and shall notify all shareholders by way of announcement 15 days prior to an extraordinary shareholders' meeting. When calculating the notice period, the Company shall not include the day on which the meeting is to be held, but shall include the day on which the notice is issued.

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

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

(ii) the matters and proposals to be considered at the meeting;

(iii) a clear statement that all shareholders have the right to attend the shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;

(iv) the share registration date for shareholders entitled to attend the shareholders' meeting;

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

(vi) the time and procedures for voting by network or other means;

(vii) other contents that shall be included in the notice as stipulated by relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice and supplementary notice of a shareholders' meeting shall fully and completely disclose the specific content of all proposals, as well as all information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed. If a matter to be discussed requires an opinion to be expressed by the independent directors, the opinions of the independent directors and the reasons therefor shall be disclosed at the same time when the notice or supplemental notice of the shareholders' meeting is issued.

Convening of the General Meeting

The Company's Board of Directors and other conveners will take necessary measures to ensure the proper order of the shareholders' meeting. For acts that disrupt the shareholders' meeting, cause trouble, or infringe upon the legitimate rights and interests of shareholders, measures will be taken to stop them and report to the relevant authorities for investigation and handling in a timely manner.

All ordinary shareholders registered on the share registration date or their proxies are entitled to attend the shareholders' meeting and to exercise their right to speak and voting rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, unless an individual shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on a particular matter.

A shareholder may attend the shareholders' meeting in person or entrust a proxy to attend, speak and vote on their behalf.

Voting and Resolutions of the General Meeting

Resolutions of the shareholders' meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (in person or by proxy).

A special resolution of the shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (in person or by proxy).

The following matters shall be passed by an ordinary resolution at a shareholders' meeting:

(i) the work report of the Board of Directors;

(ii) the profit distribution plans and loss recovery plans proposed 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 that are not required to be passed by a special resolution by 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 a special resolution at a shareholders' meeting:

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

(ii) the division, spin-off, merger, change of the Company's form, termination, dissolution, liquidation (including voluntary liquidation) or extension of the term of operation of the Company;

(iii) amendments to the Articles of Association;

(iv) equity incentive plans;

(v) any purchase or sale of material assets by the Company where the total assets involved or the transaction amount, or the amount of guarantee provided to others, within one year exceeds 30% of the Company's latest audited total assets;

(vi) to pass resolutions on the acquisition of the Company's own shares due to a reduction of the Company's registered capital or a merger with another company that holds shares in the Company;

(vii) other matters that are required to be passed by a special resolution as stipulated by 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 matters determined by the shareholders' meeting by an ordinary resolution to have a material impact on the Company.

A shareholder (including a shareholder represented by proxy) shall exercise his/her/its voting rights in proportion to the number of voting shares he/she/it represents, and each share shall carry one vote.

When the shareholders' meeting considers material matters affecting the interests of small and medium-sized investors, the votes of such small and medium-sized investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

The term "small and medium-sized investors" referred to in the preceding paragraph means shareholders other than the Company's directors, senior management, and shareholders who individually or jointly hold 5% or more of the Company's shares.

The shares of the Company held by the Company itself shall have no voting rights and such shares shall not be included in the total number of voting shares represented at a shareholders' meeting.

Where a shareholder's purchase of the Company's voting shares violates the provisions of Article 63, paragraphs 1 and 2 of the Securities Law, the shares held in excess of the specified proportion shall not carry any voting rights for a period of thirty-six months from the date of purchase and shall not be counted towards the total number of voting shares represented at a shareholders' meeting.

The Company's Board of Directors, independent directors, shareholders holding more than one percent of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose information such as the specific voting intention to the persons being solicited. The solicitation of voting rights shall be conducted free of charge, and soliciting shareholders' voting rights for consideration or in a disguised form for consideration is prohibited. Information such as the specific voting intention shall be fully disclosed to the persons being solicited. Except under statutory conditions, the Company and the convener of the shareholders' meeting shall not impose a minimum shareholding requirement for the solicitation of voting rights.

When a shareholders' meeting considers matters concerning connected transactions, the connected shareholders shall not participate in the voting, and the number of voting shares 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-connected shareholders.

Except in special circumstances such as a crisis of the Company, the Company shall not, without the approval by a special resolution at a shareholders' meeting, enter into a contract with any person other than a director or senior management personnel to entrust the management of all or a material part of the Company's business to such person.

The list of candidates for directors shall be submitted to the shareholders' meeting for voting in the form of a proposal. The Board of Directors shall announce the resumes and basic information of the candidates for directors to the shareholders. The election of directors shall fully reflect the opinions of small and medium-sized shareholders.

When a shareholders' meeting elects two or more directors, a cumulative voting system may be implemented. When a shareholders' meeting elects two or more independent directors, a cumulative voting system shall be implemented. The specific operating rules are as follows:

(i) The total number of valid voting rights that each attending shareholder can exercise in the election of directors is equal to the number of voting shares held by him/her multiplied by the number of directors to be elected;

(ii) Each shareholder may cast all the voting rights of the shares he/she holds for one director candidate, or distribute them among any number of director candidates;

(iii) The number of votes cast by each shareholder for a single director candidate may be higher or lower than the number of voting shares held by him/her, and need not be an integer multiple of that number of shares, but the cumulative number of votes cast by him/her for all director candidates shall not exceed the total number of valid voting rights held by him/her;

After the voting is concluded, the elected directors shall be determined in descending order of the number of votes received among the candidates who received votes, based on the number of votes each candidate received and limited to the number of directors to be elected.

Where a single shareholder of the Company and parties acting in concert with him/her hold 30% or more of the shares with equity interests, the cumulative voting system shall be adopted. Specific matters concerning the cumulative voting system shall be implemented in accordance with the Rules for the Implementation of the Cumulative Voting System of VeriSilicon Microelectronics (Shanghai) Co., Ltd.

Except for the cumulative voting system, the shareholders' meeting shall vote on all proposals item by item. If there are different proposals on the same matter, they shall be voted on in the order in which the proposals were submitted. Unless the shareholders' meeting is suspended or unable to make a resolution due to force majeure or other special reasons, the shareholders' meeting shall not shelve or refuse to vote on any proposal.

When the shareholders' meeting considers a proposal, it shall not amend the proposal. Any amendment shall be deemed a new proposal and shall not be voted on at the current shareholders' meeting.

A single voting right may only be exercised by one of the methods available: in person, online or by other means. If the same voting right is exercised more than once, the first vote cast shall prevail.

Before a vote is taken on a proposal at a shareholders' meeting, two shareholder representatives shall be elected to act as vote counters and scrutineers. If a matter under consideration has a related (connected) relationship with a shareholder, such shareholder and his/her/its proxy shall not participate in the vote counting and scrutinizing.

When a vote is taken on a proposal at a shareholders' meeting, a lawyer and shareholder representatives shall be jointly responsible for counting and scrutinizing the votes. The voting results shall be announced on the spot, and the voting results of the resolution shall be recorded in the meeting minutes.

Shareholders of the Company or their proxies who vote online or by other means shall have the right to check their voting results through the corresponding voting system.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions for Directors

Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

(i) a person with no or limited capacity for civil conduct;

(ii) having been sentenced to criminal penalties for corruption, bribery, embezzlement or misappropriation of property, or for disrupting the order of the socialist market economy, or having been deprived of political rights for a crime, where not more than 5 years have elapsed since the expiry of the enforcement period, or having been given a suspended sentence where not more than 2 years have elapsed since the expiry of the probation period;

(iii) a person who served as a director, factory manager or general manager of a company or enterprise which is under bankruptcy liquidation and was personally liable for the bankruptcy of such company or enterprise, where not more than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(iv) a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down for violation of law, and was personally liable therefor, where not more than 3 years have elapsed since the date of such revocation or closing down;

(v) a person who has an overdue and outstanding personal debt of a substantial amount and has been listed as a person subject to enforcement for breach of trust by a People's Court;

(vi) a person who is subject to a securities market entry ban imposed by the China Securities Regulatory Commission (the "CSRC"), where the term of such ban has not expired;

(vii) having been publicly identified by a stock exchange as unsuitable to serve as a director or senior management of a listed company, where the term of such identification has not expired;

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

If a director is elected or appointed in violation of this article, such election, appointment or engagement shall be invalid. If a director falls under any of the circumstances stipulated in this article during his/her term of office, the Company shall remove him/her from his/her position and terminate his/her duties.

The above period shall be calculated up to the date of the shareholders' meeting or Board meeting for the proposed appointment of directors and senior management.

Directors who are not employee representatives are elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting before the expiration of their term. If the number of employees of the Company is three hundred or more, the Board of Directors shall include an employee representative. The employee representative on the Board of Directors shall be democratically elected by the employees of the Company through the employee representative congress, the employee assembly or other forms, and need not be submitted to the shareholders' meeting for deliberation. The term of office of a Director shall be 3 years. Upon the expiration of a director's term of office, he/she is eligible for re-election,

A director's term of office shall commence on the date of his/her assumption of office and expire upon the end of the term of the then current session of the Board of Directors. If a successor to a Director is not elected in a timely manner upon the expiration of his/her term of office, the original director shall continue to perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director takes office.

A director may concurrently serve as the president or other senior management personnel, but the total number of directors who concurrently serve as the president or other senior management personnel and directors who are employee representatives shall not exceed 1/2 of the total number of directors of the Company.

Directors shall comply 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, owe a duty of loyalty to the Company, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their position to seek improper benefits.

A director owes the following duties of loyalty to the Company:

(i) shall not misappropriate the Company's property or embezzle the Company's funds;

(ii) shall not deposit the Company's funds in an account opened in his/her own name or in the name of another individual;

(iii) shall not use his/her position to solicit bribes or receive other illegal income;

(iv) shall not, without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association, directly or indirectly enter into a contract or conduct a transaction with the Company;

(v) shall not take advantage of his/her position to seek for himself or for others any business opportunity that belongs to the Company, except where he has reported to the Board of Directors or the shareholders' meeting and the matter has been passed by a resolution of the shareholders' meeting, or where the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;

(vi) shall not, without reporting to the Board of Directors or the shareholders' meeting and having the matter passed by a resolution of the shareholders' meeting, engage in for his/her own account or for another person any business of the same type as that of the Company;

(vii) shall not accept for his/her own benefit any commission from a transaction of the Company with others;

(viii) shall not disclose the Company's secrets without authorization;

(ix) shall not use his/her related (connected) relationship to harm the interests of the Company;

(x) other duties of loyalty stipulated 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 this article shall belong to the Company; if any loss is caused to the Company, he shall be liable for compensation.

The provisions of item (iv) above shall apply to close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and other related (connected) persons who have a related (connected) relationship with directors and senior management, when they enter into contracts or conduct transactions with the Company.

If a director, in violation of the provisions of the Articles of Association, assists or connives with a controlling shareholder and its affiliated enterprises, or the de facto controller of the Company to misappropriate the Company's assets, the Board of Directors shall take disciplinary action against the responsible person and propose to the shareholders' meeting the removal of any director who bears serious responsibility; If a director takes advantage of his/her position to manipulate the Company to engage in prohibited acts stipulated in the Articles of Association, causing significant losses to the Company's interests, the Board of Directors shall, in accordance with the relevant provisions of the Criminal Law of the People's Republic of China, report to the judicial authorities to pursue the criminal liability of the director.

Board of Directors

The Company shall establish a Board of Directors, which shall be composed of 12 directors, including 5 independent directors and 1 employee representative director. The Board of Directors shall have one chairman.

The composition of the Board of Directors shall comply with the requirements of laws and regulations and have a reasonable professional structure. Members of the Board of Directors shall possess the knowledge, skills and qualities necessary to perform their duties. The diversity of the members of the Board of Directors is encouraged.

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

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

(ii) to implement the resolutions of the shareholders' meetings;

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

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

(v) to formulate proposals for increasing or reducing the Company's registered capital, issuing bonds or other securities, and listing;

(vi) to formulate proposals for major acquisitions of the Company, acquisition of the Company's own shares due to a reduction in the Company's registered capital or a merger with another company holding the Company's shares, or for the merger, division, dissolution and change of corporate form of the Company;

(vii) within the scope of authorization from the shareholders' meeting, to decide on the Company's external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, related party (connected) transactions, external donations and other matters;

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

(ix) to decide on the appointment or dismissal of the Company's president, secretary to the Board of Directors and other senior management personnel, and to determine their remuneration, rewards and penalties; based on the nomination of the president, to decide on the appointment or dismissal of the Company's chief strategy officer, chief operating officer, chief financial officer, vice president and other senior management personnel, and to decide on their remuneration, rewards and penalties;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals for amendments to the Company's 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 hear the work reports of the Company's president and to inspect the work of the president;

(xv) to formulate the Company's equity incentive plans, option plans and employee share ownership schemes;

(xvi) to make resolutions on the acquisition of the Company's own shares for the purpose of using them for employee share ownership schemes or equity incentives, or where a shareholder objects to a resolution of the shareholders' meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares, and where it is necessary to safeguard the Company's value and the rights and interests of its shareholders;

(xvii) other powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association or the shareholders' meeting.

Matters exceeding the scope of authorization granted by the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

With the approval by vote of more than half of the Board of Directors, the Board of Directors may authorize the chairman to exercise part of the powers of the Board of Directors during the period when the Board of Directors is not in session; However, material matters of the Company shall be decided collectively by the Board of Directors, and the powers legally required to be exercised by the Board of Directors shall not be delegated to the chairman, president, etc. for exercise.

The Board of Directors shall perform its duties in accordance with the law, ensure that the Company complies with the provisions of laws, regulations and the Articles of Association, treats all shareholders fairly, and pays attention to the legitimate rights and interests of other stakeholders.

The Company shall ensure that the Board of Directors exercises its powers in accordance with the provisions of laws, regulations and the Articles of Association, and provide the necessary conditions for directors to perform their duties normally.

The Board of Directors shall formulate rules of procedure for Board meetings to ensure that the Board implements the resolutions of the shareholders' meeting, improves work efficiency, and ensures scientific decision-making. The rules of procedure for Board meetings shall be an appendix to the Articles of Association, formulated by the Board of Directors and approved by the shareholders' meeting.

The Board of Directors shall hold at least four regular meetings each year, approximately once every quarter, to be convened by the chairman, with 14 days' prior written notice given to all directors.

Shareholders representing 1/10 or more of the voting rights, 1/3 or more of the directors, more than half of the independent directors, or the Audit Committee may propose to convene an extraordinary meeting of the Board of Directors. The chairman of the Board shall convene and preside over a Board meeting within 10 days of receiving the proposal.

For an extraordinary meeting of the Board of Directors, a notice shall be sent to all directors 5 days before the meeting by writing, facsimile, email or other means. In urgent circumstances where it is necessary to convene an extraordinary meeting of the Board of Directors as soon as possible, notice of the meeting may be given by telephone or other oral means at any time, but the convener shall provide an explanation at the meeting.

The notice of a Board meeting shall include the following:

(i) the date and place of the meeting;

(ii) the method of convening the meeting;

(iii) the duration of the meeting;

(iv) the reasons and agenda for the meeting;

(v) the contact person and contact information;

(vi) the date on which the notice is issued.

An oral notice of a meeting shall at least include the contents of items (i), (iii) and (iv) above, as well as an explanation of the urgent circumstances requiring the prompt convening of an extraordinary meeting of the Board of Directors.

Independent Directors

The Company shall appoint independent directors, and at least one-third of the members of the Board of Directors shall be independent directors, among whom at least one shall be an accounting professional. An independent director refers to a director who does not hold any position in the Company other than that of a director and has no direct or indirect interest relationship with the Company, its substantial shareholders or de facto controllers, or any other relationship that may affect his/her independent and objective judgment. Independent directors shall report on their work to the shareholders' meeting on an annual basis.

Independent directors owe a duty of loyalty and diligence to the Company and all shareholders, and shall, in accordance with the provisions of laws, administrative regulations, the rules of the CSRC, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, conscientiously perform their duties, play a role in participating in decision-making, supervising and balancing, and providing professional consultation in the Board of Directors, safeguarding the overall interests of the Company, and protecting the legitimate rights and interests of small and medium-sized shareholders. Independent directors shall perform their duties independently and shall not be influenced by the Company, its substantial shareholders, de facto controllers or other entities or individuals. The Company shall ensure that independent directors perform their duties in accordance with the law. In principle, an independent director shall serve as an independent director in no more than three domestic listed companies and shall ensure that he/she has sufficient time and energy to effectively perform the duties of an independent director.

To serve as an independent director, the following conditions shall be met:

(i) possessing the qualifications to serve as a director of the Company in accordance with the relevant provisions of laws, regulations and other normative documents;

(ii) meeting the independence requirements stipulated in the Articles of Association;

(iii) possessing basic knowledge of the operations of a listed company and being familiar with relevant laws, regulations, rules and regulations;

(iv) having more than 5 years of work experience in law, accounting, economics or other fields necessary for fulfilling the duties of an independent director;

(v) having good personal character and no record of major dishonesty or other adverse records;

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

The following persons shall not serve as independent directors:

(i) persons holding positions in the Company or its affiliated businesses, and their spouses, parents, children, and principal social connections (principal social connections refer to siblings, spouses of siblings, parents of spouse, siblings of spouse, spouses of children, parents of children's spouses, etc.); holding a position refers to serving as a director, senior management or other staff member);

(ii) a natural person shareholder who directly or indirectly holds 1% or more of the Company's shares or is one of the top 10 shareholders of the Company, and their spouse, parents, and children;

(iii) persons holding positions in a shareholder which directly or indirectly holds 5% or more of the Company's shares, or in any of the top five shareholders of the Company, and their spouses, parents and children;

(iv) persons holding positions in an affiliated business of the Company's controlling shareholder or de facto controller, and their spouses, parents and children;

(v) persons who have significant business dealings with the Company, its controlling shareholder, de facto controller or their respective affiliated businesses, or persons holding positions in an entity that has significant business dealings, or in the controlling shareholder or de facto controller of such an entity;

(vi) persons who provide financial, legal, consulting, sponsorship or other services to the Company, its controlling shareholder, de facto controller or their respective affiliated businesses, including but not limited to all members of the project team of the intermediary firm providing such services, reviewers at all levels, signatories of any report, partners, directors, senior management and key persons-in-charge;

(vii) persons who have fallen under any of the circumstances listed in the preceding items (i) to (vi) within the last 12 months;

(viii) other persons stipulated in the Articles of Association;

(ix) other persons who are identified as lacking independence by laws, administrative regulations, the CSRC, or the stock exchange of the place where the Company's shares are listed.

The term of office of an independent director shall be the same as that of other directors of the Company. Upon expiry of the term, he/she may be re-elected, but his/her consecutive term of office shall not exceed six years.

The Company shall establish a special meeting mechanism attended exclusively by independent directors. Matters such as related party (connected) transactions to be considered by the Board of Directors shall be subject to prior approval at a special meeting of independent directors. Special meetings of independent directors shall be convened and presided over by an independent director jointly elected by more than half of all independent directors; if the convener fails to or is unable to perform his/her duties, two or more independent directors may convene the meeting themselves and elect a representative to preside. Minutes shall be kept for special meetings of independent directors in accordance with regulations, and the opinions of the independent directors shall be stated in the minutes.

Independent directors shall sign and confirm the meeting minutes. The Company shall provide convenience and support for the convening of special meetings of independent directors.

Specialized Committees of the Board of Directors

The Company's Board of Directors shall establish an Audit Committee which shall exercise the powers and functions of a board of supervisors as stipulated in the PRC Company Law and the powers stipulated in the securities regulatory rules of the place where the Company's shares are listed.

The Audit Committee shall consist of at least 3 members, who shall be non-executive directors not holding any senior management position in the Company. Independent directors shall constitute a majority, and the convener shall be an independent director with professional accounting qualifications. At least one independent director shall have appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the securities regulatory rules of the place where the Company's shares are listed.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for deliberation after being approved by more than half of all members of the Audit Committee:

(i) disclosure of the financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm that undertakes the Company's audit business;

(iii) appointment or dismissal of the Company's chief financial officer;

(iv) changes to accounting policies or accounting estimates, or corrections of material accounting errors, for reasons other than a change in accounting standards;

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

The Audit Committee shall hold a meeting at least once every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee may be held only if more than two-thirds of its members are present. A resolution of the audit committee shall be passed by more than half of the members of the audit committee. Voting on resolutions of the Audit Committee shall be conducted on the basis of one vote per person. Resolutions of the Audit Committee shall be recorded in meeting minutes in accordance with regulations, and the members of the Audit Committee present at the meeting shall sign the minutes. The rules of procedure for the Audit Committee shall be formulated by the Board of Directors.

The Company's Board of Directors shall establish Strategy and ESG, Nomination, Remuneration and Appraisal Specialized Committees, which shall perform their duties in accordance with the securities regulatory rules of the place where the Company's shares are listed, these Articles of Association and the authorization of the Board of Directors. Proposals from the specialized committees shall be submitted to the Board of Directors for deliberation and decision. The rules of procedure for the specialized committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT

The Company shall have one president, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several vice presidents, and one chief strategy officer, one chief operating officer and one chief financial officer. The aforesaid senior management personnel shall be appointed or dismissed by the Board of Directors.

The president, chief strategy officer, chief operating officer, chief financial officer, vice presidents and the secretary to the Board of Directors are the senior management of the Company.

The appointment and dismissal of senior management shall follow statutory procedures and be disclosed in a timely manner. The Company's controlling shareholders, de facto controllers and their connected parties shall not interfere with the normal selection and appointment procedures for senior management, and shall not bypass the shareholders' meeting and the Board of Directors to directly appoint or dismiss senior management. Persons holding administrative positions other than director or supervisor in the entity of the Company's controlling shareholder or de facto controller shall not serve as senior management of the Company. The senior management of the Company shall only receive remuneration from the Company and shall not have their salaries paid by the controlling shareholder.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant state departments.

The Company shall submit and disclose its annual report to the local office of the CSRC and the Shanghai Stock Exchange within 4 months from the end of each financial year, submit and disclose its interim report within 2 months from the end of the first half of each financial year, and disclose its quarterly reports within 1 month from the end of the first 3 months and first 9 months of each financial year.

The aforesaid reports shall be prepared in accordance with the provisions of laws, administrative regulations, the CSRC and the securities regulation of the place where the Company's shares are listed.

The Company shall not keep any other accounting books in addition to the statutory accounting books. The funds of the Company shall not be deposited in an account opened in the name of any individual.

When distributing its after-tax profits for the current year, the Company shall set aside 10% of its profits for the Company's statutory reserve fund. If the accumulated amount of the Company's statutory common reserve fund exceeds 50% of the Company's registered capital, no further appropriation is required.

If the Company's statutory reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory reserve fund is appropriated in accordance with the preceding paragraph.

After appropriating the statutory common reserve fund from its after-tax profits, the Company may, upon a resolution of the shareholders' meeting, also appropriate a discretionary common reserve fund from its after-tax profits.

The after-tax profit of the Company remaining after making up for losses and making appropriations to the common reserve fund shall be distributed to shareholders in proportion to their respective shareholdings, save as otherwise provided for in the Articles of Association.

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

The shares of the Company held by the Company itself shall not participate in profit distribution.

If a shareholder misappropriates the Company's funds in violation of regulations, the Company shall deduct the cash dividends distributed to that shareholder to repay the funds misappropriated by the shareholder.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, duties and powers, staffing, funding guarantees, application of audit results, and accountability for internal audit work.

The Company's internal audit department shall supervise and inspect matters such as the Company's business activities, risk management, internal control, and financial information.

In the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit department shall accept the supervision and guidance of the Audit Committee.

Appointment of Accounting Firm

The Company shall engage an accounting firm that meets the requirements of the Securities Law to conduct business such as auditing financial statements, verifying net assets, and providing other related consulting services. The term of appointment is 1 year and is renewable.

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

The Company guarantees to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fees of the accounting firm shall be decided by the shareholders' meeting.

When the Company dismisses or does not re-engage an accounting firm, it shall give 20 days' prior notice to the accounting firm. When the Company's shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion.

If an accounting firm proposes to resign, it shall explain to the shareholders' meeting whether there are any improprieties on the part of the Company.

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

A merger of companies may take the form of a merger by absorption or a merger by new establishment.

A merger in which one company absorbs another is a merger by absorption, and the absorbed company is dissolved. A merger in which two or more companies merge to form a new company is a merger by new establishment, and the merging parties are dissolved.

The Company may enter into a merger without a resolution of the shareholders' meeting if the consideration paid therefor does not exceed 10% of the Company's net assets, unless otherwise provided in the Articles of Association. If the Company merges in accordance with the preceding provisions without a resolution of the shareholders' meeting, it shall be subject to a resolution of the Board of Directors.

For a merger of the Company, a merger agreement shall be signed by the merging parties, and a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the merger resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, demand the Company to repay its debts or provide a corresponding guarantee.

In the event of a merger of the Company, the claims and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

In the event of a division of the Company, its assets shall be divided accordingly. For a division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the division resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System.

The debts of the Company prior to the division shall be borne jointly and severally by the companies existing after the division. However, this shall not apply where a written agreement reached between the Company and its creditors regarding the repayment of debts prior to the division provides otherwise.

When the Company reduces its registered capital, it shall prepare a balance sheet and a list of assets. The Company shall, within 10 days from the date on which the resolution for registered capital reduction is made by the shareholders' meeting, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, have the right to demand the Company to repay its debts or provide a corresponding guarantee.

When the Company reduces its registered capital, it shall correspondingly reduce the capital contributions or shares of the shareholders in proportion to their respective shareholdings, save as otherwise provided by law or approved by a special resolution of the Company's shareholders' meeting.

After the Company has made up its losses in accordance with the Articles of Association, if it still has losses, it may reduce its registered capital to make up for the losses. Where the registered capital is reduced to make up for losses, the Company shall not make distributions to its shareholders, nor shall it exempt shareholders from their obligation to pay capital contributions or share subscription monies.

In the event of a merger or division of the Company, if there is a change in the registered matters, an application for registration of such change shall be made to the company registration authority in accordance with the law; If the Company is dissolved, an application for cancelation of the Company's registration shall be made in accordance with the law; If a new company is established, an application for registration of the establishment of the company shall be made in accordance with the law. If the Company increases or reduces its registered capital, an application for registration of such change shall be made to the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) the grounds for dissolution stipulated in the Articles of Association arise;

(ii) a resolution for dissolution is passed by the shareholders' meeting;

(iii) dissolution is required due to a merger or division of the Company;

(iv) its business license is revoked, it is ordered to close down or it is cancelation in accordance with the law;

(v) the Company encounters serious difficulties in its operation and management, and its continued existence will cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of the voting rights of the Company may request a people's court to dissolve the Company.

Where the grounds for dissolution stipulated in the preceding paragraph arise for the company, it shall, within ten days, publicize the grounds for dissolution through the National Enterprise Credit Information Publicity System.

Where the Company is subject to the circumstances described in items (i) and (ii) above of the Articles of Association, and has not yet distributed its assets to the shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the shareholders' meeting.

The amendment of the Articles of Association or passing a resolution by the shareholders' meeting in accordance with the preceding paragraph shall be subject to the approval by more than 2/3 of the voting rights held by the shareholders present at the shareholders' meeting.

If the Company is dissolved due to the provisions of items (i), (ii), (iv) and (v) above, it shall be liquidated. The directors are the persons responsible for the liquidation of the Company and shall form a liquidation committee to carry out the liquidation within 15 days from the date on which the grounds for dissolution arise. The liquidation committee shall be composed of directors, unless otherwise provided in the Articles of Association or other persons are elected by a resolution of the shareholders' meeting.

If the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

The liquidation committee shall exercise the following powers during the liquidation period:

(i) to clear up the Company's assets and prepare a balance sheet and a list of assets respectively;

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

(iii) to deal with the unfinished business of the Company related to the liquidation;

(iv) to pay off the taxes owed and the taxes incurred during the liquidation process;

(v) to clear up claims and debts;

(vi) to distribute the remaining assets of the Company after repaying its debts;

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

The liquidation panel shall, within 10 days from the date of its establishment, notify the creditors, and shall, within 60 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel.

During the period for declaration of claims, the liquidation committee shall not make repayments to creditors.

After the liquidation committee has cleared up the Company's assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company, after paying, in sequence, the liquidation expenses, employees' wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the Company's debts, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

During the liquidation period, the company shall continue to exist, but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before being used for repayment in accordance with the preceding paragraph.

Amendments to the Articles of Association

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

(i) after the PRC Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the matters stipulated in the Articles of Association are in 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) the circumstances of the Company have changed, such that they are inconsistent with the matters recorded in the Articles of Association;

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

Any amendment to the Articles of Association shall take effect after being adopted by the shareholders' meeting of the Company.

If the amendment to the Articles of Association involves information required to be disclosed by laws and regulations, it shall be announced as required.