This Appendix principally provides investors with an overview of the Company's Articles of Association. As the following information is in summary form, it does not include all information that may be significant to investors.

Shares and Registered Capital

Issuance of Shares

The shares of the Company are issued on the basis of openness, fairness and equity, and rank *pari passu* among each other in the same class. Shares of the same class issued at the same time shall be equal in issue price and shall be subject to the same issuance conditions. The same price shall be paid by any institution or individual for each share subscribed. The Subscriber shall pay the same price for each Share subscribed.

Increase, Decrease and Repurchase of Shares

Increase and Decrease of Shares

The Company may, based on its operating and development needs and in accordance with the laws and regulations, increase its capital in the following manners upon resolutions being adopted by the general meetings:

(1) offering of shares to unspecified targets;

(2) offering of shares to specified targets;

(3) distributing bonus shares to its existing shareholders;

(4) conversion of capital reserve to share capital;

(5) other means required by the laws, administrative regulations and other means as required by the securities regulatory authority where the Company's Shares are listed and the stock exchanges where the Company's Shares are listed.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be conducted in accordance with the procedures stipulated by the Company Law and other relevant rules and the Articles of Association.

Repurchase of Shares

The Company may not acquire its own Shares except under one of the following circumstances:

(1) decreasing the registered capital of the Company;

(2) merging with other companies holding Shares of the Company;

(3) use the Shares for employee stock ownership plan or equity incentives;

(4) shareholders objecting to resolutions of the general meeting concerning merger or division of the Company and requesting the Company to buy back their Shares;

(5) use of Shares for conversion of corporate bonds convertible into Shares issued by the Company;

(6) the repurchase of Shares is necessary for the Company to maintain its corporate value and protect its Shareholders' equity interest.

The Company may repurchase its own Shares in the manner of public centralised trading or such other manners as approved by laws, administrative regulations and the securities regulatory authority where the Company's Shares are listed and the stock exchanges where the Company's Shares are listed. If the Company repurchases the Shares under any of the circumstances stipulated in item (3), (5) or (6) above, it shall be conducted through public centralised trading.

If the Company repurchases its own Shares for the reasons set out in (1) or (2) above, the proposed resolution shall be passed at the general meeting. If the Company repurchases its own Shares for the reasons set out in (3), (5) or (6) above, the proposed resolution may, in accordance with the provisions of the Articles of Association of the Company or the authorisation of the general meeting, be resolved by a Board meeting with more than two-thirds of the Directors present, subject to the compliance with the applicable rules and regulations governing the securities in the place where the Company's Shares are listed.

Shares Transfer

The Company's Shares shall be transferred according to law.

The Shares issued before the initial public offering cannot be transferred within one year after the Shares of the Company are listed for trading on the stock exchange.

The Directors and senior management of the Company shall declare to the Company their shareholdings and any changes thereof. The shares transferred each year during their term of office, as determined at the time of their appointment, cannot exceed 25% of the total number of the Company's Shares held by them. The Shares held by them cannot be transferred within one year after the Shares of the Company are listed for trading on the stock exchange. None of the above-mentioned personnel is allowed to transfer the Shares of the Company held by them within half a year from their departure from office. Where laws, administrative regulations or the securities regulatory rules of the place where the Company's Shares are listed provide otherwise for restrictions on the transfer of the Company's Shares, such provisions shall apply.

In the event any Directors, senior management of the Company and any Shareholders holding 5% or more of the Company's Shares dispose of their Shares in the Company or other securities with the nature of stock rights within six months of purchase, or purchases Shares in the Company again within six months of disposal, the proceeds derived therefrom shall be retained for the benefit of the Company and the Board will withdraw the proceeds, except the disposals by securities companies holding more than 5% of the Shares in the Company due to purchase of remaining Shares sold after underwriting and other circumstances as stipulated by the securities regulatory authority where the Company's Shares are listed and the stock exchanges where the Company's Shares are listed.

If the Board fails to comply with the above provisions, the Shareholders shall have the right to request the Board to comply with the provisions within thirty days. If the Board fails to comply with the provisions within the prescribed period, the Shareholders, have the right, for the benefit of the Company and in their own names, to institute legal proceedings directly at a People's Court. If the Board of the Company does not comply with the above provisions, the responsible Directors shall bear joint and several liabilities under the law.

SHAREHOLDERS AND GENERAL MEETING

General Provisions on Shareholders

The Company shall establish the shareholders' register based upon evidence provided by the Securities Registration and Clearing Authority and in accordance with the laws, administrative regulations and the securities regulatory rules where the Company's Shares are listed. Shareholders' register represents sufficient evidence that Shareholders hold Shares in the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders holding the same class of Shares shall enjoy equal rights and assume the same obligations.

The Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other forms of profit distribution on the basis of the number of Shares held by them;

(2) to request to hold, convene, chair, participate in or to appoint proxies to participate in the general meetings and exercise corresponding voting rights in accordance with the laws;

(3) to supervise the operation of the Company, and to make suggestions and raise queries;

(4) to transfer, give or pledge Shares held by them in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(5) to review and make copies of the Articles of Association, shareholders' register, the minutes of general meetings, resolutions of the Board meetings, and the financial and accounting reports, and Shareholders who meet the requirements may inspect the Company's account and accounting certificates;

(6) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated;

(7) request the Company to repurchase their Shares if any Shareholders oppose to the resolution of merger or division of the Company at the general meeting;

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

If any resolution of a general meeting or Board meeting is in violation of the laws and administrative regulations, the Shareholders shall have the right to request the People's Court to invalidate the said resolution. If the meeting convening procedures and voting method of the general meetings or Board meetings are in violation of the laws and administrative regulations or the Articles of Association or if the contents of any resolution are in breach of the Articles of Association, the Shareholders shall have the right to request the People's Court to revoke the said resolution within 60 days after the resolution has been made, except that the convening procedures or voting methods of the general meeting or Board meeting are only slightly defective without substantial effects produced on resolutions.

If any Directors and senior management, other than members of the audit committee, contravene the provisions of the law, administrative regulations or the Articles of Association when carrying out their duties in the Company and resulting in losses to the Company, the Shareholders individually or collectively holding 1% of Shares or more continuously for 180 days may request the audit committee in writing to initiate litigation at the People's Court. If any members of the audit committee contravene the provisions of the law, administrative regulations and the Articles of Association when carrying out their duties in the Company and resulting in losses to the Company, the aforesaid Shareholders may request the Board in writing to initiate litigation at the People's Court.

If the audit committee or the Board refuses to initiate litigation after receiving the Shareholders' written request or fails to initiate litigation within 30 days of receiving such request, or the situation is so urgent that without initiating litigation immediately will cause irreparable losses to the Company, the Shareholders under the previous paragraph may initiate litigation in their own names at the People's Court for the sake of the Company's interests.

Shareholders the Company shall have the following obligations:

(1) to abide by laws, administrative regulations and the Articles of Association;

(2) to pay amounts on Shares based on the Shares subscribed by them and the method of capital contribution;

(3) not to withdraw its share capital except as prescribed by laws or administrative regulations;

(4) not to abuse the Shareholders' rights to damage the Company's or other Shareholders' interests; not to abuse the independent legal personality of the Company and the limited liabilities of the Shareholders to damage the interests of the creditors of the Company;

(5) Other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Shareholders who abuse their Shareholder's rights that result in losses suffered by the Company or other Shareholders shall assume compensation obligations in accordance with the law. Shareholders who abuse the independent legal personality of the Company and the limited liabilities of the Shareholders to escape from debts and thereby seriously damaging the interests of the Company's creditors shall jointly and severally bear the Company's debts.

Controlling Shareholders and Effective Controllers

The controlling shareholders or the effective controllers of the Company shall comply with the following provisions:

(1) Exercise shareholder rights according to law and do not abuse their control or use their connected relationship to prejudice the legitimate interests of the Company or other Shareholders;

(2) Strictly fulfil any public statements and various commitments made and do not alter or waive any of them without authorisation;

(3) Perform information disclosure obligations strictly according to relevant provisions, actively cooperate with the Company on information disclosure and promptly inform the Company of any significant event that has occurred or is about to occur;

(4) Shall not appropriate any funds of the Company in any manner;

(5) Shall not force, direct or request the Company or relevant personnel to provide any guarantee in violation of laws and regulations;

(6) Shall not use any undisclosed material information of the Company to gain benefits, or divulge any undisclosed material information related to the Company in any manner or engage in any illegal activities such as insider trading, short-swing trading or market manipulation;

(7) Shall not jeopardise the legitimate rights and interests of the Company and other Shareholders through unfair related-party transaction, profit distribution, asset restructuring, external investment or otherwise;

(8) Guarantee the asset integrity, personnel independence, financial independence, institutional independence and business independence of the Company and shall not affect the Company's independence in any manner;

(9) Laws, administrative regulations, provisions of the securities regulatory authority where the Company's Shares are listed and the stock exchanges where the Company's Shares are listed, business rules of stock exchange and other provisions of the Articles of Association.

Where a controlling shareholder or effective controller of the Company does not serve as a Director of the Company but actually carries out affairs for the Company, the provisions set out in the Articles of Association regarding the duty of faith and duty of diligence of Directors shall apply.

Where a controlling shareholder or effective controller of the Company instructs any Director or senior management to conduct any activities detrimental to interests of the Company or Shareholders, it shall be jointly and severally liable for the resulting losses with the Director or senior management.

General Provisions on the General Meeting

The general meeting of the Company comprises all shareholders. The general meeting is the governing body of the Company and shall exercise the following powers according to law:

(1) electing and replacing Directors and deciding on matters relating to the remuneration of the Directors;

(2) examining and approving reports of the Board of Directors;

(3) examining and approving the Company's plans for profit distribution and loss make-up;

(4) adopting resolutions on the increase or reduction of the Company's registered capital;

(5) adopting resolutions on issuance of bonds of the Company;

(6) adopting resolutions on matters such as merger, division, dissolution, liquidation and change of corporate form of the Company;

(7) amending the Articles of Association;

(8) adopting resolutions on the engagement or removal of accounting firms undertaking the Company's audit engagement by the Company;

(9) examining and approving guarantees set forth in Article 47 of the Articles of Association;

(10) to consider matters relating to the purchase or sale by the Company within one year of material assets valued at more than 30% of the Company's latest audited total assets of the Company;

(11) to consider any change in the use of offer proceeds;

(12) to consider and approve any share incentive scheme and the employee stock ownership plan;

(13) to consider other matters required to be resolved by the general meeting pursuant to 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 general meeting may authorise the Board of Directors to make resolutions on the issuance of corporate bonds.

The general meetings shall consist of annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six months from the end of the preceding financial year.

The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

(1) the number of directors is less than the number as stipulated in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(2) the losses of the Company which have not been made up reach one-third of the total share capital;

(3) Upon request of shareholders holding 10% or more of shares in the Company either alone or in aggregate;

(4) whenever the Board considers necessary;

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

(6) other circumstances as provided by laws, administrative regulations, departmental rule, the securities regulatory rules of the place where the company's shares are listed, or the Articles of Association.

Convening of General Meeting

The Board shall convene a general meeting in time within the prescribed time limit. Subject to consent of more than half of all independent directors, independent directors shall be entitled to make a proposal to the Board of Directors on holding an extraordinary general meeting. For such a proposal, the Board of Directors shall give a written reply on whether to agree or not to hold such meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the securities regulatory rules of the place where the company's shares are listed, and the Articles of Association.

Where the Board of Directors agrees to hold such a meeting, a notice of general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to hold such a meeting, its reasons shall be given and an announcement shall be made.

If the Audit Committee shall make a proposal to the Board of Directors on holding an extraordinary general meeting, it shall make such a proposal in written form. The Board of Directors shall give a written reply on whether to agree or not to hold such meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations, the securities regulatory rules of the place where the company's shares are listed, and the Articles of Association.

Where the Board of Directors agrees to hold such meeting, a notice of general meeting shall be given within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval from the Audit Committee. Where the Board of Directors does not agree to hold such a meeting, or fails to give a written reply within 10 days upon receipt of the proposal, the Board of Directors shall be deemed to be unable to perform or fails to perform its duty to convene a shareholders' meeting. The Audit Committee may convene the shareholders' meeting on its own.

Shareholders holding over 10% of shares in the Company either alone or in aggregate have the right to request the Board of Directors to hold an EGM, provided that such request shall be filed in writing. The Board of Directors shall provide a written response indicating approval or disapproval of holding of EGM within 10 days of receipt of the request according to laws and regulations, the securities regulatory rules of the place where the company's shares are listed, and these articles of association.

Where the Board of Directors agrees to hold an EGM, it shall give a notice of general meeting within 5 days of making of a board resolution, provided that any change to the original request contained in the notice shall be subject to the prior consent of related shareholders.

Where the Board of Directors does not agree to convene an extraordinary general meeting, or does not respond within 10 days after receiving the request, shareholders holding more than 10% of the Company's shares individually or in aggregate shall propose to the Audit Committee to convene an extraordinary general meeting, and shall submit a written request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene a general meeting within 5 days of receiving the request. Changes to the original request set out in the notice shall be subject to the consents of relevant shareholders.

If the Audit Committee or shareholders decide to convene a general meeting on their own, they shall issue a written notice to the Board of Directors and file with the agency of the China Securities Regulatory Commission at the location of the Company and the Shenzhen Stock Exchange.

The Audit Committee or the convening shareholders shall provide relevant evidence to the agency of the China Securities Regulatory Commission at the location of the Company and the Shenzhen Stock Exchange at the time the notice of general meeting is issued and an announcement of the resolutions of the general meeting is made.

Proposals and Notification of General Meeting

When the Company convenes a general meeting, the Board of Directors, the Audit Committee and shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to propose resolutions to the Company.

Shareholder(s) individually or jointly holding more than 1% of the Company's shares may propose provisional proposals in writing to the convener(s) 10 days before the general meeting is convened. The convener (s) shall issue a supplementary notice of the general meeting within 2 days after receiving the proposals to announce the contents of the provisional proposals and submit the provisional proposal to the general meeting for deliberation, except where the provisional proposal violates laws, regulations or these articles of association or is outside the terms of reference of general meeting.

Except as provided in the preceding paragraph, after sending out a notice of general meeting, the convener(s) shall not make any amendments to the proposals included in the notice of general meeting or add any new proposals.

Proposals not set out in the notice of general meeting or not complying with the Articles of Association shall not be voted on or resolved by the general meeting.

The convener will notify all shareholders by means of announcement 21 days prior to the AGM or 15 days prior to EGM.

The notice of a general meeting shall include the following:

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

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

(3) A conspicuous statement in writing that all shareholders have the right to attend the General Meeting and engage proxies in writing to attend the meeting and take part in voting and that such proxies need not to be shareholders of the Company;

(4) specified record date for shareholders entitled to attend the general meeting;

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

(6) time and procedures of the voting online or by any other means.

Conduct of General Meeting

All shareholders on the register of shareholders on the shareholding record date or their proxies shall be entitled to attend the general meeting, and speak and vote at the general meeting in accordance with the laws, regulations, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the company's stock is listed).

Shareholders may attend the general meeting in person or they may appoint proxies to attend and vote on their behalf, and the proxy needs not be a shareholder of the Company. If the shareholder is a recognised clearing house (or its proxy) as defined in the relevant regulations of Hong Kong enacted from time to time, it may authorise its representative or person(s) as it deems fit to act as its representative at any general meeting.

Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity. Proxies of individual shareholders shall produce effective proof of identity and the authorisation letter from the shareholder.

A corporate shareholder shall appoint a legal representative or a proxy entrusted by the legal representative to attend the meeting. If a legal representative attends the meeting, he shall produce his identity card and a valid certificate proving his qualification to be a legal representative; if a proxy is entrusted to attend the meeting, the proxy shall produce his identity card, and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law (except where the shareholder is a recognised clearing house and its proxy as defined in the relevant ordinance in force from time to time under the laws of Hong Kong).

Voting and Resolutions of General Meetings

Resolutions of general meetings are in the form of ordinary resolutions and special resolutions. An ordinary resolution of a general meeting shall be passed with the approval of more than half of the voting rights held or represented by the shareholders (including shareholders who appoint proxies to attend the general meeting) attending the meeting. A special resolution of a general meeting shall be passed with the approval of two thirds or more of the voting rights held or represented by the shareholders (including shareholders who appoint proxies to attend the general meeting) attending the meeting.

The following matters shall be adopted by way of ordinary resolutions at general meetings:

(1) work reports of the Board of Directors;

(2) profit distribution plans and loss recovery plans prepared by the Board of Directors;

(3) appointment and dismissal of the members of the Board of Directors and their remuneration and payment methods;

(4) other matters other than those required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be adopted by special resolutions.

The following matters shall be adopted by way of special resolutions at shareholders' general meetings:

(1) increase or reduction in the registered capital;

(2) the division, split, merger, dissolution, and liquidation of the Company;

(3) amendments to the Articles of Association and its appendices (including Rules of Procedure for General Meetings and Rules of Procedure for the Board of Directors);

(4) the purchases and disposals of material assets or guarantees within one year, which exceed 30% of the latest audited total assets of the Company;

(5) equity incentive plans;

(6) any other matters required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and matters considered in an ordinary resolution adopted at a shareholders' general meeting having a material impact on the Company, and thus in need of approval by a special resolution.

Shareholders (including shareholders who appoint proxies to attend the general meeting) shall exercise their voting rights according to the number of shares carrying voting rights they represent, with one vote for each share.

Where the significant matters influencing the interests of small and medium investors are considered at the general meeting, the voting by small and medium investors shall be independently counted. The independent counting results shall be promptly disclosed.

In case shareholders purchase shares carrying voting rights of the Company in violation of the first and second paragraph of Article 63 of the Securities Law, the voting rights over the shares exceeding the stipulated proportion shall not be exercised within 36 months after purchase, and such shares shall not be included into the total shares carrying voting rights at the general meeting.

The Board of Directors of the Company, independent Directors and shareholders holding more than 1% of voting shares, as well as the investor protection agencies established in accordance with laws, administrative regulations or the provisions of China Securities Regulatory Commission are entitled to solicit shareholders' voting rights. Information including the specific voting intention shall be fully disclosed to shareholders from whom voting rights are being solicited. The company should provide facilities such as information disclosure and collection of entrusted documents for the purpose of soliciting votes. It is prohibited to solicit voting rights from shareholders by offering consideration or consideration in disguised form. The Company shall not impose any limit on the minimum shareholding in respect of the soliciting voting rights except the statutory conditions.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

Directors of the Company are natural persons. A person may not serve as a director of the Company if such person:

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

(II) Has been subjected to criminal punishment due to corruption, bribery, embezzlement or misappropriation of properties or disruption of the order of socialist market economy and has been within less than five years of completion of the execution of sentence and deprivation of political rights due to crime or within less than two years of completion of the execution of probation if announced to be put on probation;

(III) Has been within less than three years of completion of bankruptcy liquidation of a company or enterprise subjected to bankruptcy liquidation, provided that such person served as a director or factory manager or general manager of the company or enterprise and was held personally responsible for the bankruptcy of the company or business;

(IV) Has been within less than three years of revocation of business licence of a company or enterprise that has its business licence revoked or is ordered to be shut down due to legal violations, provided that such person served as the legal representative of the company or enterprise and was held personally responsible for such legal violations;

(V) Has not repaid personal debts of substantial value when due and has been listed by people's court as bad-faith person subject to enforcement;

(VI) Has been banned from securities market by CSRC and remains so;

(VII) Has been publicly determined by stock exchanges as not suitable for serving as director or officer of a listed company and remains so; or

(VIII) Falls into any other circumstances prescribed in laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's shares are listed.

Directors shall abide by laws, administrative regulations and the Articles of Association, and bear fiduciary duties to the Company, take measures to avoid any possible conflict of interests with the Company and may not abuse their authority to seek illicit benefits.

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

(1) not embezzling the properties of the Company and not appropriating any funds of the Company;

(2) not opening an account in his or her own name or in the name of another individual and depositing the assets or funds therein of the Company;

(3) not abusing their authority to accept any bribe or other illicit income;

(4) not directly or indirectly entering into contracts or transactions without reporting to the Board or general meeting or approval of resolutions of the Board or general meeting pursuant to these articles of association;

(5) not using the advantages of his or her office to appropriate for himself/herself or for others, business opportunities which ought to belong to the Company except where they reported to the Board or general meeting and received approval of general meeting resolutions or such business opportunities can not be exploited by the Company according to laws, regulations or these articles of association;

(6) not to operate a business for his or her own account or on behalf of others which is of the same type as the Company's business without reporting to the Board or general meeting or the consent of the general meeting resolutions;

(7) not accepting for himself/herself commissions in connection with the Company's transactions with others;

(8) not disclosing secrets of the Company without authorisation;

(9) not using his or her connected relationships to harm the interests of the Company;

(10) other fiduciary duties specified in laws, administrative regulations, department rules, the securities regulatory rules of the place where the Company's shares and the Articles of Association.

Income derived by a Director in breach of this Article shall belong to the Company. If the Company sustains a loss as result of such breach, the Director shall be liable for the damages. When close relatives of directors or members of the senior management, enterprises directly or indirectly controlled by directors, members of the senior management or their close relatives, and other related parties having other affiliations with directors or members of the senior management enter into contracts or conduct transactions with the Company, the provisions of item (IV) of paragraph 2 of Article 101 shall apply.

A Director shall abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares and the Articles of Association, bear a duty of diligence to the Company and exercise due care generally expected of managers in the best interests of the Company when performing their duties.

Directors shall have the following obligations of diligence toward the Company:

(1) prudently, conscientiously and diligently exercising the rights granted him or her by the Company, so as to ensure that the commercial acts of the Company comply with state laws, administrative regulations and the requirements under various economic policies of the government, and that its commercial activities do not exceed the scope of business specified on the business licence;

(2) treating all shareholders equally;

(3) timely keeping abreast of the Company's business operation and management situation;

(4) signing written confirmation opinions on the regular reports of the Company so as to ensure that the information disclosed by the Company is true, accurate and complete;

(5) providing true information and data to the Audit Committee and not interfering with the Audit Committee in the exercise of their functions and powers;

(6) not to provide any form of convenience or assistance that is detrimental to the legitimate rights and interests of the Company or shareholders to any organisation or individual and their acquisition actions that are intended to or are implementing a hostile takeover of the Company;

(7) other duties of diligence as 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.

The Company has established a management system for director resignations, clearly specifying the safeguards for the recovery of liability and compensation for unfulfilled public commitments and other outstanding matters. The fiduciary duties of a Director to the Company and the shareholders do not necessarily cease upon termination of his term of office, they shall remain valid for three years after the resignation or expiration of his/her term of office. Responsibilities that a director shall assume due to performance of his duties during his term of office shall not be exempted or terminated due to his separation from the Company.

Board of Directors

The Board of Directors is established by the Company and shall consist of 11 directors, including one chairman and one vice-chairman.

The Board of Directors exercises the following functions and powers:

(1) to convene the shareholders' general meeting and to report on its work to the shareholders in general meetings;

(2) to implement the resolutions adopted by the shareholders in general meetings;

(3) to determine the Company's business plans and investment proposals;

(4) to formulate the Company's profit distribution proposal and loss recovery proposal;

(5) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures or other securities and listing;

(6) to formulate plans for important mergers and acquisition of the shares of the Company, or consolidation, division, dissolution or change of the form of the Company;

(7) within the authorisation of the general meeting, to decide on the Company's foreign investments, acquisition or sale of assets, external guarantees, entrustment of financial management, asset pledges, associated transactions or donations;

(8) to decide on the Company's internal management structure;

(9) to decide on the appointment or removal of the Company's general manager, Secretary to the Board of Directors; and, based on the recommendations of the general manager, to decide on the appointment or removal of the deputy general manager(s) and other officers such as CFO, and decide on their remuneration matters and incentives and disincentives matters;

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

(11) to formulate proposals for any amendment of the Articles of Association;

(12) to manage the information disclosure of the Company;

(13) to propose to the shareholders' general meeting for employment or replacement of the accountancy firm that does auditing for the Company;

(14) to hear reporting from the Company's general manager and inspect the performance of the manager;

(15) to exercise any other powers prescribed by the laws, administrative regulations, department rules, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association and conferred by general meetings.

Matters beyond the scope of such authorisation shall be submitted to the shareholders' general meeting for consideration.

Independent Directors

Independent directors shall maintain their independence, and the following persons shall not serve as independent directors:

(1) Persons working for the Company or its subsidiaries, their spouses, parents and children, and major social relations;

(2) Natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the Company's top ten shareholders, and their spouses, parents and children;

(3) Persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or who work for entities of the Company's top five shareholders, and their spouses, parents, and children;

(4) Persons serving in the subsidiaries of the Company's controlling shareholders and de facto controllers and their spouses, parents and children;

(5) Persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers;

(6) Persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholders, de facto controllers or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, Directors, senior management and principals;

(7) Persons who have been in the situations in the one to six paragraphs listed above within the last twelve months;

(8) Other persons who do not possess independence as stipulated by laws, administrative regulations, regulations of the securities regulatory authority of the place where the Company's shares are listed and the stock exchange of the place where the Company's shares are listed and the Articles of Association.

The subsidiaries of the controlling shareholders and actual controller of the Company referred to in provisions (4) to (6) of the preceding paragraph exclude enterprises that are under common control of the same state-owned assets administration institution as the Company but do not constitute related parties of the Company in accordance with the relevant provisions.

Independent Directors shall conduct an annual self-examination of independence and submit the self-examination to the Board. The Board shall evaluate and issue a special opinion on the independence of the incumbent independent Directors on an annual basis, which shall be disclosed at the same time as the annual report.

An independent director shall exercise the following special powers:

(1) to engage an intermediary institution independently for auditing, consultation or verification on specific matters of the Company;

(2) to propose to the board of directors for the convening of extraordinary general meetings;

(3) to propose for the convening of board meetings;

(4) to publicly solicit shareholders' rights from shareholders in accordance with the law;

(5) to express independent opinions on matters that may jeopardise the rights and interests of the Company or minority shareholders;

(6) other powers as stipulated by laws, administrative regulations, regulations of the securities regulatory authority of the place where the Company's shares are listed and the stock exchange of the place where the Company's shares are listed and the Articles.

In the event that independent directors exercise any of the duties and powers listed in the aforesaid clauses (1) to (3), the exercise of such duties and powers shall be subject to the approval of a simple majority of all the independent directors.

The Company shall disclose in a timely manner if independent directors exercises the duties and powers listed in the aforesaid category (1). In the event that any of the aforesaid duties and powers cannot be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

The following matters shall be submitted to the Board for consideration after being approved by a simple majority of all the independent directors of the Company:

(1) related party transactions that should be disclosed;

(2) the plans for changes in or waivers of commitments by the Company and related parties;

(3) decisions made and measures taken by the Board of the acquired listed company in relation to the acquisition;

(4) other matters as prescribed by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as connected transactions to be reviewed by the board of directors shall be approved in advance by a special meeting of the independent directors.

The Company shall convene special meetings of the independent directors on a regular or ad hoc basis. Matters specified in items (1) to (3) of Article 130 and Article 131 of these Articles shall be considered by a special meeting of the independent directors. The special meetings of the independent directors may consider and discuss other matters of the Company when necessary.

The special meetings of the independent directors may consider and discuss other matters of the Company when necessary.

The special meetings of the independent directors shall be convened and chaired by an independent director nominated by more than half of the independent directors; in the event that the convener does not perform his duties or he is unable to perform his duties, two independent directors and above can convene a meeting on their own and nominate a representative to chair the meeting.

Minutes of the special meeting of independent directors shall be made in accordance with regulations, and the opinions of independent directors shall be stated in the minutes. Independent directors shall sign and confirm the minutes.

Specialised Committees under Board of Directors

The Board of Directors of the Company shall establish the Audit Committee to exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law.

Members of the Audit Committee shall consist of no less than three directors and shall be directors who are not senior management of the Company, of which more than half shall be independent directors, and accounting professionals among such independent directors shall serve as conveners.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board for deliberation after being consented to by more than half of all members of the Audit Committee:

(I) Disclosure of financial information contained in financial and accounting reports and periodic reports, as well as internal control evaluation reports;

(II) Appointment or dismissal of the accounting firm undertaking the audit business of the Company;

(III) Appointment or dismissal of the Chief Financial Officer of the Company;

(IV) Change to accounting policy or estimate or significant accounting error correction due to reasons other than change to accounting standards;

(V) Other matters prescribed by laws, regulations, the securities regulatory authority and the stock exchange where the shares of the Company are listed and these articles of association.

The Audit Committee shall hold meeting at least once every quarter. The Audit Committee may hold interim meeting when necessary. An interim meeting may be held when two members so propose or the convener deems necessary. The Audit Committee's meetings shall be held only when at least two thirds of members are present; each member shall have one vote for voting on resolutions of the Audit

Committee; resolutions made by a meeting must be passed by more than half of all members in order to take effect. Resolutions of the Audit Committee shall be produced into meeting minutes according to provisions, which shall be signed by all members of the Audit Committee present at the meeting.

The Board of Directors of the Company has set up other specialised committees such as Strategy and ESG, Nomination, Remuneration, etc. to perform their duties in accordance with the Articles of Association of the Company and the authorisation of the Board of Directors, and the proposals of the specialised committees shall be submitted to the Board of Directors for deliberation and decision. The Board of Directors is responsible for formulating work procedures of specialised committees and regulating the operation of specialised committees.

OFFICERS

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have a deputy general manager, who shall be appointed or dismissed by the Board of Directors. The Company's general manager, deputy general manager, Chief Financial Officer and secretary to the Board of Directors shall serve as officers of the Company.

The Company has a board secretary responsible for preparation of General Meetings and board meetings of the Company, keeping documents, managing data about the Company's shareholders and dealing with information disclosure activities, among others. The board secretary shall comply with applicable provisions of laws, regulations, departmental rules, the securities regulatory rules where the Company's shares are listed and these articles of association.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting Systems

The Company shall submit and disclose its annual reports to the local counterpart of China Securities Regulatory Commission and the stock exchange where the Company's shares are listed within 4 months from the ending date of each accounting year, and its interim reports to the local office of China Securities Regulatory Commission and the stock exchange where the Company's shares are listed within 2 months from the ending date of the first half of each accounting year.

The aforementioned financial reports shall be prepared in accordance with relevant laws, administrative regulations as well as the stipulations of China Securities Regulatory Commission and stock exchange where the Company's shares are listed.

The Company shall not keep accounts other than those provided for by the laws. It is not allowed to open an account to deposit the Company's funds in the name of any individual.

When allocating the profit after taxation of the current year, the Company shall allocate 10% of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached more than 50% of the registered capital of the Company, no allocation is needed.

In the event that the statutory common reserve fund of the Company is insufficient to make up for the losses of the Company on the previous year, before allocating the statutory common reserve fund in accordance with the stipulations of the previous paragraph, the Company shall first make up for the losses by using the profits of the current year.

After allocating the statutory common reserve fund from the profit after taxation of the Company, the Company can allocate the arbitrary common reserve fund from the profit after taxation according to the resolution of shareholders' general meeting.

The profit after taxation of the Company, after covering the losses and making allocation to the common reserve fund, shall be distributed to the shareholders in accordance with their proportion of shareholdings except for otherwise provided by the Articles of Association.

If the general meeting distributes profit to shareholders in violation of the Company Law, the shareholders shall return such distributed profits to the Company; if losses are caused to the Company, shareholders and directors and officers held accountable shall be liable for damages.

The shares held by the Company shall not be involved in the profit distribution.

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

After the resolution on profit distribution plan has been adopted at the shareholders' general meeting of the Company, or after the Board of Directors of the Company has formulated specific plan based on the conditions and upper limit for the next year interim dividend approved by the annual general meeting, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after conclusion of the general meeting.

The common reserve fund of the Company shall be used to cover the Company's losses, expand its production and operation, or be converted to increase the Company's registered capital.

When the capital reserve is used to make up the Company's losses, the discretionary reserve and statutory reserve shall be first used; if the losses can still not be covered, the capital reserve may be used according to provisions.

When converting the statutory reserve fund into registered capital, the balance of such reserve fund shall not be less than 25% of the registered capital of the Company before the conversion.

Internal Audit

The Company shall implement its internal audit system to clarify the leadership system, the duties and authorities, staffing, funding support, utilisation of audit findings and accountability of internal audit work.

The internal audit body shall supervise and inspect business activities, risk management, internal control and financial information of the Company,

Engagement of Accounting Firm

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 auditing of accounting statements, verification of net assets and other related consulting services. The accounting firm so appointed shall hold office for one year and may be renewed.

The engagement and termination of the accounting firm by the Company are subject to the decisions of the general meeting, while the Board of Directors must not appoint any accounting firms before the resolution of the general meeting.

The Company warrants that it will provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and it shall not refuse to provide or conceal or falsify such documents.

The audit fee payable to the accounting firm shall be determined by the General Meeting.

Prior to the removal or the non-renewal of the appointment of the accounting firm, 30 days of prior notice of such removal or non-renewal shall be given to the accounting firm and the accounting firm is allowed to state its opinions when the General Meeting votes on the dismissal of the accounting firm. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

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

Merger, Division, and Increase and Reduction of Share Capital

The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company. Where one company is absorbed by another in a merger by absorption, the absorbed company is dissolved. When more than two companies merge to establish a new company, the parties to the merger dissolve.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days as at the date of the Company's resolution on merger and shall make announcement on Securities Times or in the National Enterprise Credit Information Publicity System within 30 days as at the date of the Company's resolution on merger. Creditors may, within 30 days after receipt of such notice from the Company, or within 45 days as at the date of the announcement for those who do not receive such notice, to demand that the Company repay their debts to that creditor or provide a corresponding guarantee for such debts.

After the merger, claims and debts of parties to the merger shall be taken over by the continuing company or the newly established company.

When the Company is divided, its assets shall be split up accordingly. In the event of a division of the Company, the Company shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days as at the date of the Company's resolution on division and shall make announcement on Securities Times or in the National Enterprise Credit Information Publicity System within 30 days as at the date of the Company's resolution on division.

A balance sheet and an inventory of assets will be prepared by the Company if it reduces its registered capital. The Company shall notify its creditors within 10 days upon the date of passing of the resolution which approves the reduction of registered capital, and announce the reduction in the Securities Times or the National Enterprise Credit Information Publicity System within 30 days. A creditor may request the Company to settle any outstanding debts or provide guarantees accordingly within 30 days upon receipt of the notice, or within 45 days of the date of the announcement if he/she/it has not received any notice.

The Company shall reduce contributed amounts or shares according to shareholding ratios of shareholders when reducing its registered capital, except as otherwise prescribed by laws or these articles of association.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

When the Company increases or reduces its share capital, such changes shall be registered with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved due to any of the following reasons:

(1) the term of operation expires, or any dissolution events as stipulated in these Articles of Association occur;

(2) a resolution for dissolution is passed at a shareholders' general meeting;

(3) dissolution as a result of a merger or division of the Company;

(4) the business licence of the Company is revoked, or the Company is ordered to close down or is closed down in accordance with laws;

(5) shareholders holding 10% or more of the voting rights of the Company may apply to the People's court for dissolution when the Company experiences severe difficulties in its operations and management and continual operation of the Company will bring significant losses to the interest of shareholders while there are no other ways to resolve the difficulties;

Where any cause of dissolution set forth in the abovementioned occur on the part of the Company, the Company shall publicise the cause of dissolution via the national enterprise credit information publicity system within 10 days.

Where the situation set forth in item (1) or item (2) of Article 188 of these Articles of Association occurs, the Company may continue to exist by amending these Articles of Association or through a general meeting resolution if properties have not yet been distributed to shareholders.

Amendments to these Articles of Association or the general meeting resolution in accordance with the abovementioned shall be passed by a vote representing two-thirds or more of the voting rights of the shareholders present at the general meeting.

Should the Company dissolve due to reasons stipulated in items (1), (2), (4) or (5) of Article 188 hereof, the Company shall be liquidated. Directors are obligated to liquidate the Company and shall form a liquidation committee to begin liquidation within 15 days after the occurrence of the dissolution event.

The liquidation committee shall comprise directors, except as otherwise set forth herein or that the general meeting resolves to choose others.

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

The liquidation committee shall, within 10 days of its establishment, send notices to creditors and shall, within 60 days of its establishment, publish announcement on Securities Times or in the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days of receipt of the notice, or for creditors who have not personally received such notice, within 45 days of the date of the public announcement, declare their rights to the liquidation committee.

After sorting out the assets of the Company and preparing the balance sheets and the inventory of assets, if the liquidation committee discovers that the assets of the Company are not enough to pay off the debts, it should apply to the People's Court for bankruptcy liquidation according to the law. After the People's Court accepts the application for bankruptcy, the liquidation committee should transfer the liquidation to the bankruptcy administrator designated by the People's Court.

Where the Company is declared bankrupt according to law, the Company shall carry out bankruptcy liquidation according to the law concerning corporate bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend these Articles of Association:

(1) after the revision of the Company Law or relevant laws and administrative regulations, securities regulatory rules where the Company's shares are listed, the provisions of these Articles of Association conflict with the revised laws, administrative regulations or securities regulatory rules where the Company's shares are listed,;

(2) where the Company's situation changes, thus causes the inconsistency with the matters recorded in these Articles of Association;

(3) the shareholders' general meeting decides to amend these Articles of Association.

Where the amendments to these Articles of Association passed by a resolution at a shareholders' general meeting need the examination and approval of the competent authorities, these amendments shall be submitted to competent authorities for approval; if an amendment is relevant to any registration items of the Company, modifications of the registration shall be completed according to law.