This Appendix mainly provides investors with an overview of the Articles of Association. Since the information provided below is only a summary, it does not contain all the information that may be important to investors.

ISSUANCE OF SHARES

The shares of the Company shall take the form of stocks.

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price is paid for each of the shares subscribed for by the subscriber.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Based on the operation and development needs of the Company and subject to the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, the Company may increase its share capital via the following methods upon resolutions being approved at the shareholders' general meeting:

(I) issuing shares to unspecified parties;

(II) issuing shares to specific parties;

(III) distribution of bonus shares to existing shareholders;

(IV) converting reserve funds into share capital;

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

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the Company Law, Listing Rules of the Stock Exchange and other relevant requirements and the procedures required by the Articles of Association.

The Company shall not purchase its own shares, save as under one of the following circumstances:

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

(II) to merge with other companies holding the Company's shares;

(III) to use the shares for employee shareholding schemes or equity incentives;

(IV) to repurchase the shares held by the shareholders who vote against any resolution proposed at any shareholders' general meeting on the merger or division of the Company upon their request;

(V) to use the shares for conversion of corporate bonds issued by the Company that could be converted into its share certificates;

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

The Company may repurchase its shares through centralized public trading or other ways as permitted by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and stock exchanges, and shall comply with the provisions of the applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances specified in aforesaid items (III), (V), (VI), it shall be carried out through centralized public trading.

Where the Company repurchases its own shares under any of the circumstances specified in aforesaid items (I) to (II), a resolution of the shareholders' general meeting is required. Where the Company repurchases its own shares under any of the circumstances specified in aforesaid items (III), (V) and (VI), a resolution shall be approved at the Board meeting attending by more than two-thirds of the directors, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed. After the repurchase of the Company's shares, the Company shall fulfill its information disclosure obligations in accordance with the Securities Law and the securities regulatory rules of the place where the Company's shares are listed.

After the Company has repurchased its own shares in accordance with the above requirements, the shares repurchased under the circumstance set out in item (I) above shall be canceled within ten days from the date of repurchase; the shares repurchased under the circumstances set out in item (II) or (IV) above shall be transferred or canceled within six months; for the shares repurchased under the circumstances set out in item (III), (V) or (VI) above, the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares so repurchased shall be transferred or canceled within three years.

Transfer of Shares

The shares of the Company shall be transferred in accordance with laws. All transfers of the H Shares shall be effected with a written instrument of transfer in a usual or common form or in any form accepted by the Board (including the standard transfer form or transfer form specified by the Stock Exchange from time to time). Such instrument of transfer may only be signed by hand or (where the transferor or transferee is a corporation) affixed with an effective corporate seal. If the transferor or transferee is a recognized clearing house (the "Recognized Clearing House") as defined in the relevant regulations in force from time to time under the Hong Kong laws or its nominee, the instrument of transfer may be signed by hand or by machine imprint. All instruments of transfer shall be maintained at the legal address of the Company or such address designated by the Board from time to time. The transfer of shares of the Company through public means shall be conducted on a legally established stock exchange. Where the shares of the Company are transferred through non-public means, shareholders shall promptly notify the Company after the transfer of the shares through the agreement and register the transfer with the registered depository.

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

The shares of the Company issued prior to the public offering of shares shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on the stock exchange.

The directors and senior management of the Company shall declare, to the Company, information on their holdings of the shares of the Company and the changes thereto. The shares transferred by them during each year of their term of office determined upon taking office shall not exceed 25% of the total number of the shares of the Company held by them. The shares of the Company held by them shall not be transferred within 1 year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year from the date of their resignation.

Where the laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on transfer of shares, such rules shall prevail.

Any gains from sale of the Company's shares or other securities with equity nature by the Company's directors, senior management or shareholders holding more than 5% of its shares within six months after their purchase of the same, or any gains from the purchase of the shares or other securities with equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, and the Board of the Company shall recover such gains from the abovementioned parties, except for the circumstance that a securities company holds more than 5% of the Company's shares as a result of purchase of all the unsold underwritten shares and other circumstances stipulated by the CSRC and the Stock Exchange.

Shares or other securities with equity nature held by directors, senior management and natural person shareholders as referred to in the preceding paragraph include shares or other securities with equity nature held by their spouses, parents or children, as well as shares or other securities with equity nature held through the account of others.

If the Board of the Company fails to comply with the provisions as set out above, shareholders are entitled to request the Board to satisfy the same within 30 days. If the Board of the Company fails to satisfy the same within the aforesaid period, shareholders are entitled to file a lawsuit directly with the people's court in their own name for the benefit of the Company.

If the Board of the Company fails to comply with the provisions as set out above, the responsible director(s) shall assume joint and several liability in accordance with the law.

In addition to the transfer restrictions and requirements as stipulated in the Articles of Association, shareholders or individuals holding the Company's shares or other securities with equity nature shall also abide by other restrictions or requirements stipulated in the laws and regulations including the Company Law, the Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the Listing Rules of the Stock Exchange, the regulatory rules of the CSRC as well as the securities regulatory rules of the place where the Company's shares are listed.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

General Rules of Shareholders

The Company shall maintain a register of shareholders with the evidence provided by the securities registration institution of the place where the Company's shares are listed, and the register of members shall be sufficient evidence of the shareholders' shareholdings in the Company. The original H Share register of members shall be kept in Hong Kong for inspection by shareholders. However, 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. The shareholder shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Where any shareholder listed in the H Shares register of members or any person requesting to have his/her name entered in the H Shares register of members lost his/her share certificate(s), the said shareholder or person may apply to the Company for the replacement of certificate(s) in respect of such shares. The shareholders of H Shares shall apply for replacement of the share certificate(s) pursuant to the laws, rules of the stock exchange or other relevant regulations of the place where the original H Shares register of members is maintained.

Shareholders of the Company shall be entitled to:

(I) receiving dividends and benefit distributions in other forms pro rata to the number of shares held by them;

(II) requesting, convening, presiding over, attending or appointing proxies to attend shareholders' general meetings and exercising the corresponding speaking rights and voting rights in accordance with laws;

(III) supervising, advising on or making inquiries about the operations of the Company;

(IV) transferring, granting or pledging their shares in accordance with the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(V) inspecting and copying the Articles of Association, the register of members, minutes of shareholders' general meetings, resolutions of the Board, financial and accounting reports. Eligible shareholders may inspect the Company's accounting books and vouchers;

(VI) participating in the distribution of the remaining properties of the Company pro rata to their shareholdings in the event of the termination or liquidation of the Company;

(VII) requesting the Company to repurchase the shares from the dissenting shareholders who vote against the Company's resolution on merger or division proposed at the shareholders' general meeting;

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

If any resolution of a shareholders' general meeting or a Board meeting is in violation of the laws and administrative regulations, shareholders shall have the right to petition the people's court for invalidating the said resolution.

Where the procedures for convening and the method of voting at a shareholders' general meeting and a Board meeting are in violation of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or the contents of any resolution are in breach of the Articles of Association, shareholders are entitled to petition the people's court for revocation of such resolution within 60 days from the date of the resolution. However, if the procedures for convening or the method of voting at the shareholders' general meetings and Board meetings are only slightly flawed and have no substantial impact on the resolution, this will be an exception.

If the Board, shareholders or other relevant parties dispute the validity of a resolution of the shareholders' general meeting, they shall promptly file a lawsuit with the people's court. Relevant parties shall implement the resolution of the shareholders' general meeting until the people's court issues a judgment or ruling to revoke the resolution. The Company, directors and senior management shall diligently perform their duties to ensure the normal operation of the Company.

If the people's court makes a judgement or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchange, fully explain the impact and actively cooperate with the implementation after the judgement or ruling come into effect. Where correction of prior matters is involved, the Company shall address the same in a timely manner and discharge the corresponding information disclosure obligations.

Where the Company incurs losses as a result of violation of any provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by directors and senior management other than the members of the audit committee in the course of performing their duties with the Company, shareholders individually or collectively holding more than 1% of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the audit committee to file a lawsuit with the people's court. Where the Company incurs losses as a result of violation of any provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by the members of the audit committee in the course of performing their duties with the Company, the said shareholders may request in writing to the Board to file a lawsuit with the people's court.

In the event that the audit committee or the Board refuses to file a lawsuit upon receipt of the written request of shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date on which such request is received, or in case of emergency where failure to immediately file a lawsuit will cause irreparable damages to the interests of the Company, shareholders specified in the preceding paragraph may, in their own name, directly file a lawsuit with the people's court for the interest of the Company.

If any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified above may file a lawsuit with the people's court pursuant to the above provisions.

Where the Company incurs losses as a result of violation of any provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association by directors, supervisors or senior management in the course of performing their duties, or the wholly-owned subsidiary incurs losses as a result of infringement upon the legitimate rights and interests of the subsidiary by any other persons, shareholders individually or collectively holding more than 1% of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the supervisory committee or the Board of the wholly-owned subsidiary to file a lawsuit with the people's court, or file a lawsuit with the people's court directly in their own names pursuant to the provisions of the first three paragraphs of Article 189 of the Company Law.

If any director, senior management damages the interests of any shareholder in violation of the relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association, the shareholder may file a lawsuit with the people's court.

The shareholders of the Company shall assume the following obligations:

(I) to comply with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(II) to pay capital contribution as per the shares subscribed for and the method of subscription;

(III) not to return shares unless prescribed otherwise in laws, regulations and the securities regulatory rules of the place where the Company's shares are listed;

(IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person or the limited liability status of the shareholders to jeopardize the interests of the Company's creditors;

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

Controlling Shareholders and de facto Controllers

Any controlling shareholder or de facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchange where the shares of the Company are listed and the securities regulatory rules of the place where the Company's shares are listed, and safeguard the interests of the listed company.

The controlling shareholder or de facto controller of the Company shall comply with the following provisions:

(I) to exercise their rights as shareholders in accordance with the law and not to abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;

(II) to strictly fulfil the public statements and various undertakings made and not to change or waive such statements and undertakings;

(III) to fulfil the information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are intended to occur;

(IV) not to appropriate the Company's funds in any way;

(V) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(VI) not to make use of the Company's undisclosed material information to gain benefits, not to divulge undisclosed material information relating to the Company in any way, and not to engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;

(VII) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, external investment or any other means;

(VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;

(IX) other provisions prescribed by the laws, administrative regulations, provisions of the CSRC, business rules of the stock exchanges (including but not limited to Chapter 14 and 14A of the Listing Rules of the Stock Exchange) and the Articles of Association.

Where a controlling shareholder or de facto controller of the Company does not serve as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association regarding the obligations of loyalty and diligence of directors shall apply.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management.

General Rules for the Shareholders' General Meetings

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

(I) to elect and replace the directors who are not employee representatives, and decide on matters relating to the remuneration of the directors;

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

(III) to consider and approve the Company's profit distribution and losses recover proposals;

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

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

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

(VII) to amend the Articles of Association;

(VIII) to resolve on the Company's appointments and dismissals of accounting firms undertaking the Company's audit work;

(IX) to consider and approve the guarantees specified in Article 47 of the Articles of Association;

(X) to consider and approve the transactions specified in Article 49 of the Articles of Association;

(XI) to consider and approve the transactions specified in Article 50 of the Articles of Association;

(XII) to consider and approve the matters relating to changes in the use of proceeds raised;

(XIII) to consider the equity incentive plan and employee shareholding schemes;

(XIV) to consider matters concerning the Company's purchase or sale of major assets over the past year which exceeds 30% of the Company's latest audited total assets;

(XV) the annual general meeting of the Company may authorize the Board to approve the issuance of shares with a total financing amount of not more than RMB300 million and not more than 20% of the net assets as at the end of the latest year to specific subscriber(s), and such authorization will expire on the date of the annual general meeting for the next year;

(XVI) to consider any transactions where all percentage ratios calculated by the Company pursuant to the percentage ratios requirement under Rule 14.07 of the Listing Rules of the Stock Exchange are no less than 25% (including one-off transactions and a series of transactions requiring an aggregated percentage ratio) and connected transactions where the percentage ratios are no less than 5% (including one-off transactions and a series of transactions requiring an aggregated percentage ratio);

(XVII) to consider other matters on which decisions shall be made by the shareholders' general meeting as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The shareholders' general meeting may authorize the Board to resolve on the issuance of corporate bonds.

The above functions and powers of the shareholders' general meeting shall not be conferred to the Board or other authority and individual through authorization. Where the shareholders' general meeting authorizes the Board or other institution and individual to exercise other functions and powers on its behalf, it shall comply with the authorization principles stipulated in the laws, regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, the rules of procedure of the shareholders' general meeting and other regulations, and the details of the authorization shall be clearly specified.

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

(I) any guarantee to be provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets;

(II) any guarantee to be provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;

(III) any guarantee provided by the Company to others within one year exceeds 30% of the Company's latest audited total assets;

(IV) any guarantee to be provided for a party whose gear ratio exceeds 70%;

(V) any single guarantee with an amount exceeds 10% of the latest audited net assets;

(VI) any guarantee to be provided to the shareholders, de facto controllers and their related parties;

(VII) other guarantee circumstances stipulated in relevant laws and regulations, the rules of the Shanghai Stock Exchange, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association. When a guarantee mentioned in item (III) above is considered at the shareholders' general meeting, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the Company provides a guarantee for its wholly-owned subsidiary, or for a holding subsidiary and other shareholders of the holding subsidiary provide a guarantee in the same proportion of their rights and interests, without prejudice to the interests of the Company, application of the provisions of the items (I), (IV) and (V) of the first paragraph of this Article may be exempted. The Company shall summarize and disclose the aforesaid guarantees in its annual report and semi-annual report.

Where a resolution on guarantee provided for its shareholders, de facto controllers and their related parties is considered at the shareholders' general meeting, such shareholders or shareholders under the control of such de facto controllers shall abstain from voting on such resolution, and the resolution shall be subject to the approval by more than half of the voting rights held by other shareholders present at the shareholders' general meeting. Among which, where a resolution on guarantee provided for its shareholders, de facto controllers and their related parties involved in the guarantee in item (III) of the first paragraph of this Article is considered at the shareholders' general meeting, such resolution shall be subject to the approval by more than two-thirds of the voting rights held by other shareholders present at the shareholders' general meeting.

Where the Company provides guarantee for a related party, in addition to being considered and approved by more than half of all non-related directors, it shall also be considered and approved by more than two-thirds of the non-related directors present at the Board meeting, and a resolution shall be made and submitted to the shareholders' general meeting for consideration.

Where the Company provides guarantee for a controlling shareholder, de facto controller and their related parties, a counter-guarantee shall be provided by the controlling shareholder, de facto controller and their related parties.

Any transaction of the Company (except for the provision of guarantee and financial assistance) that meets any of the following criteria shall be submitted to the shareholders' general meeting for consideration:

(I) the total amount of assets involved in the transaction (if the assets involved have both book value and valuation, whichever is higher) accounts for more than 50% of the latest audited total assets of the Company;

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

(III) the net assets of the transaction subject (such as equity) in the latest accounting year accounts for more than 50% of the Company's market value;

(IV) the operating income of the transaction subject (such as equity) in the latest accounting year accounts for more than 50% of the audited operating income of the Company in the latest accounting year, and exceeds RMB50 million;

(V) the profits generated from the transaction account for more than 50% of the audited net profit of the Company in the latest accounting year, and exceed RMB5 million;

(VI) the net profit of transaction subject (such as equity) in the latest accounting year accounts for more than 50% of the audited net profit of the Company in the latest accounting year, and exceeds RMB5 million.

Any transaction with a related party in which the amount of the transaction (except for the provision of guarantees) accounts for more than 1% of the Company's latest total audited assets or market value and exceeds RMB30 million shall be provided with an appraisal report or an audit report and submitted to the shareholders' general meeting for consideration. Connected transactions related to daily operations may be exempt from audit or assessment.

Where the Company and a related party jointly contribute to the establishment of a company, and the amount contributed by the Company meets the criteria set out in the first paragraph of this Article, the requirement to submit to a shareholders' general meeting for consideration may be waived if all the contributors contribute in cash in full and the shareholding of each party in the company established is determined in proportion to the amount contributed.

Shareholders' general meetings shall be categorized as annual general meetings and extraordinary general meetings. Annual general meeting shall be convened once a year and shall be held within 6 months from the end of the preceding financial year. Extraordinary general meeting shall be convened from time to time.

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

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

(II) when the Company's unrecovered losses amount to one-third of the total share capital;

(III) when the shareholders with 10% or more shares of the Company separately or collectively request;

(IV) when the Board deems it necessary;

(V) when the audit committee proposes such a meeting be convened;

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

If the extraordinary general meeting is convened in accordance with the requirements of the securities regulatory rules of the place where the Company's shares are listed, the actual date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange at the place where the Company's shares are listed.

The place for convening a shareholders' general meeting of the Company shall be the domicile of the Company or other places specified in the notice of the shareholders' general meeting.

Convening of Shareholders' General Meetings

Unless otherwise stipulated in the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, departmental rules or the Articles of Association, the shareholders' general meeting shall be convened by the Board in accordance with the law.

The Board shall convene the shareholders' general meeting on time within the specified period. Independent directors are entitled to propose to the Board to convene an extraordinary general meeting, subject to the approval of more than half of all independent directors. Concerning the independent directors' proposal to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days upon receipt of such request. In the event that the Board agrees to convene an extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the Board approves the resolution. In the event that the Board disagrees to convene an extraordinary general meeting, it shall state the reasons and make a public announcement.

Where the audit committee proposes to the Board to convene an extraordinary general meeting, it shall submit a proposal to the Board in writing. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days upon receipt of such request. In the event that the Board agrees to convene an extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the Board approves the resolution. Any changes to the original proposal made in the notice shall be agreed by the audit committee. In the event that the Board disagrees to convene an extraordinary general meeting or fails to furnish any reply within 10 days upon receipt of such request, it shall be deemed as the failure of the Board to fulfill or unable to fulfill its duties to convene the general meeting, and the audit committee shall be entitled to convene and preside over a general meeting on their own accord.

Shareholders individually or collectively holding more than 10% of the shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and such request shall be made in writing. The Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary general meeting within 10 days upon receipt of such request. In the event that the Board agrees to convene an extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days after the Board approves the resolution. Any changes to the original request made in the notice shall be agreed by the relevant shareholders. In the event that the Board disagrees to convene an extraordinary general meeting or fails to furnish any reply within 10 days upon receipt of such request, shareholders individually or collectively holding more than 10% of the shares of the Company shall be entitled to propose to the audit committee to convene an extraordinary general meeting, and such request shall be made in writing. In the event that the audit committee agrees to convene an extraordinary general meeting, a notice of convening the general meeting shall be issued within 5 days upon receipt of such request. Any changes to the original request made in the notice shall be agreed by the relevant shareholders. Failure of the audit of committee to issue the notice of general meeting within the prescribed time limit shall be deemed as failure of the audit of committee to convene and preside over a general meeting, and shareholders individually or collectively holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a general meeting on their own accord. Where the laws, regulations, rules, the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such rules shall prevail.

Where the audit committee or shareholders decide(s) to convene a shareholders' general meeting on their own accord, the Board shall be notified in writing, and records shall be filed with the stock exchange. Prior to announcement on the resolutions approved at the shareholders' general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%. The audit committee or shareholders convening such meeting shall submit the relevant materials as proof to the stock exchanges at the time of issuance of notice of the shareholders' general meeting and announcement on the resolutions approved at the meeting.

Proposals and Notices of Shareholders' General Meetings

The content of the proposal shall fall within the scope of power of the shareholders' general meeting, with explicit subjects and specific matters to be considered and resolved, and shall comply with the relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When the Company convenes a shareholders' general meeting, the Board, the audit committee and shareholders individually or collectively holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders individually or collectively holding more than 1% of the shares of the Company may put forward temporary proposals and submit them to the convener in writing 10 days before the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting announcing the contents of the temporary proposal within 2 days after receiving the proposal, and submit the temporary proposals to the shareholders' general meeting for consideration, except for the temporary proposals that violate the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association, or are not fall within the scope of power of the shareholders' general meeting.

Save as provided in the preceding paragraph, the convener shall not modify the proposals specified in the notice of shareholders' general meeting or add new proposals after the issue of the notice of shareholders' general meeting.

In respect of proposals not specified in the notice of the shareholders' general meeting or not complying with the requirements under Article 62 of the Articles of Association, no voting and resolution shall be made at the shareholders' general meeting.

The convener shall inform each shareholder of the forthcoming annual general meeting by way of announcement 21 days prior to the meeting, and shall inform each shareholder of the forthcoming extraordinary general meeting by way of announcement 15 days prior to the meeting.

The date of the meeting shall be excluded in the calculation of the commencement period.

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

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

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

(III) the notice shall state clearly that all ordinary shareholders, holders of shares with special voting rights and other shareholders are entitled to attend the shareholders' general meeting and appoint proxies in writing to attend and vote at such meeting on their behalf, and that such proxies need not to be shareholders of the Company;

(IV) shareholding registration date for shareholders entitled to attend the shareholders' general meeting;

(V) the names and contact information of the contact person in relation to the meeting;

(VI) the time and procedures for online voting or voting by other means.

Holding of Shareholders' General Meetings

All ordinary shareholders who are registered as at the shareholding registration date in accordance with the securities regulatory rules of the place where the Company's shares are listed, or their proxies, shall be entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend the shareholders' general meeting in person or appoint a proxy (who does not need to be a shareholder of the Company) to attend and exercise voting rights within the authorized scope on their behalf.

Individual shareholders attending meetings in person shall produce their valid identity cards or other valid documents or proof to prove their identity. In the case of attending by proxies, the proxies shall produce valid identity documents and the power of attorney of the shareholder.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the meeting. If the meeting is attended by the legal representatives, they shall produce their valid identity cards and valid proof of their status as legal representatives; if the meeting is attended by proxies, such proxies shall produce their valid identity documents and the written power of attorney legally issued by the legal representative of the legal entity shareholder (with the corporate seal) (except for shareholders who are Recognized Clearing Houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulatory rules of the place where the Company's shares are listed).

If the shareholder is a Recognized Clearing House (or its proxy) as defined by the relevant regulations in force from time to time under the Hong Kong laws, such shareholder may authorize one or more persons he/she deems fit to act on his/her behalf at any shareholders' general meeting or any class general meetings. However, where more than one persons is so authorized, the power of attorney shall clearly state the numbers and classes of shares involved for each authorized persons. The power of attorney shall be signed by the person authorized by the Recognized Clearing House. The persons so authorized may attend the meetings (without being required to present share certificates, notarized authorization and/or further evidence of to prove they are duly authorized) and exercise rights on behalf of the Recognized Clearing House (or proxy thereof), as if that proxy is an individual shareholder of the Company.

Shareholders of a partnership enterprise shall be represented at the meeting by the managing partner, the delegate appointed by the managing partner, or a proxy entrusted by the delegate appointed by the managing partner. The managing partner or the delegate appointed by the managing partner attending the meeting shall present their personal identity cards and valid documents that can prove their identity as the managing partner or the delegate appointed by the managing partner. Proxies authorized to attend the meeting shall present their personal identity cards and the written power of attorney (with the partnership enterprise seal) legally issued by the managing partner of the partnership enterprise or the delegate appointed by the managing partner.

Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (who may not be a shareholder) as his/her proxy to attend and vote on his/her behalf. Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting.

If the appointer is a legal entity, its legal representative or such person authorized by resolution of its Board and other decision-making body shall attend the shareholders' general meeting of the Company as a representative.

The power of attorney issued by a shareholder for appointing another person to attend a shareholders' general meeting on his/her behalf shall include:

(I) name or title of the appointer, and the class and number of shares held in the Company;

(II) name or title of the proxy;

(III) specific instructions given by the shareholder, including instructions on affirmative, negative or abstention voting on each issue listed in the meeting agenda;

(IV) the issuing date and the valid period of the power of attorney;

(V) signature (or seal) of the appointer. If the appointer is a corporate shareholder or a shareholder of a partnership enterprise, the seal of the corporate entity or partnership enterprise shall be affixed or the legal authorized person shall sign.

The power of attorney shall specify whether the proxy may vote as he/she thinks fit in the absence of concrete instructions from the shareholder. If no such instruction is given, it is deemed that the proxy of the shareholder may vote as he/she thinks fit.

If the power of attorney for appointing a voting proxy is signed by another person authorized by the appointing shareholder, the authorization letter or other authorization document shall be notarized. The notarized authorization letter or other authorization document, together with the power of attorney, shall be kept at the domicile of the Company or at such other place as specified in the notice of the meeting.

The chairman shall preside over the shareholders' general meeting. If the chairman is unable to perform his or her duties or fails to perform his or her duties, the vice chairman (and in case of two or more vice chairmen in the Company, the vice chairman elected by more than half of Directors shall preside over the meeting) shall preside over the meeting. If the vice chairman is unable to perform his or her duties or fails to perform his or her duties, more than half of Directors shall jointly elect one Director to preside over the meeting. If there is no vice chairman and the chairman is unable to perform his or her duties or fails to perform his or her duties, more than half of Directors shall jointly elect one Director to perform the duties.

A shareholders' general meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform such duty, a member of the Audit Committee elected by more than half the Audit Committee members present at the meeting shall preside.

If a shareholders' general meeting is convened by the shareholders themselves, the convener or his/her representative shall preside over the meeting.

If the host of the shareholders' general meeting breaches the procedural rules, which makes it unable to proceed with the shareholders' general meeting, subject to consent of more than half of shareholders with voting rights attending the shareholders' general meeting, the shareholders' general meeting may elect a person to act as the host of the meeting to proceed with the meeting.

The shareholders' general meeting shall allow reasonable time for the discussion of each proposal.

Voting at the Shareholders' General Meeting

Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

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

(I) work reports of the board of directors;

(II) profit distribution plans and plans to cover losses to be formulated by the board of directors;

(III) appointment and removal of members of the board of directors, their remuneration and manner of payment;

(IV) other matters other than those which are required by 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 resolved by a special resolution at a shareholders' general meeting:

(I) any increase or decrease in the registered capital of the Company;

(II) division, spin-off, merger, dissolution, liquidation and conversion of corporate form of the Company;

(III) amendment of the Articles of Association;

(IV) the Company's purchase or sale of any material assets or the amount of guarantee, within one year, which exceeds 30% of the latest audited period of total assets of the Company;

(V) equity incentive plans;

(VI) other matters required 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 other matters which the shareholders' general meeting determines by an ordinary resolution will have a material impact on the Company and therefore require adoption by a special resolution.

If at any time the shares of the Company are divided into shares of different classes, any intended modification or abolition of the rights of any class of shareholders by the Company shall be passed by a special resolution adopted by the affected class of shareholders at the shareholders' general meeting convened separately.

Shareholders (including proxies) shall have the right to speak at shareholders' general meetings and exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote, unless shareholders of class shares or certain shareholders are required to abstain from voting on specific matters according to the securities regulatory rules of the place where the Company's shares are listed. On a poll taken at a meeting, a shareholder (including proxies) entitled to two or above votes need not cast all his/her votes for, against or abstention in the same way.

The votes by the small and medium investors shall be counted separately with respect to the significant events that may affect the interests of the small and medium investors to be considered at the shareholders' general meeting. The separate vote counting result shall be timely and publicly disclosed.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by shareholders attending the meeting.

In accordance with the applicable laws, regulations the Listing Rules of the Stock Exchange, if any shareholder is required to abstain from voting on a resolution matter, or any shareholder is restricted to voting only for or only against it, the number of votes cast by or on behalf of such shareholder in violation of the relevant provisions or restrictions shall not be included in the total number of voting shares.

The voting shares of the Company purchased by the shareholders in the violation of first and second paragraphs of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after purchasing the relevant shares, and shall not be included in the total number of voting shares present at a shareholders' general meeting.

The board of directors of the Company, independent directors, shareholders holding more than one percent of the shares with voting rights or investor protection institutions established according to laws, administrative regulations or provisions of the of the securities regulatory authorities of the place where the Company's shares are listed, publicly solicit voting rights from the shareholders. Such information as the specific vote intention shall be sufficiently disclosed to the solicited persons in respect of solicitation of the shareholders' right to vote. It is not permitted to solicit the shareholders' right to vote in a chargeable or disguised chargeable manner. Except for statutory conditions, the Company shall not require the minimum shareholding limitation on the solicitation of the right to vote.

When any shareholders' general meeting considers matters in connection with the related transactions, the related shareholder shall not participate in the vote and the number of voting shares that it represents shall not be counted towards the total number of valid votes. The announcement of the resolution of the shareholders' general meeting shall fully disclose the votes of the non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions for Directors

Directors of the Company shall be natural persons and shall have the qualification required by the laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed. The following person shall not serve as a director of the Company:

(I) a person who has no civil capacity or has limited civil capacity;

(II) a person who has been sentenced to criminal penalties for offenses such as corruption, bribery, embezzlement, misappropriation of property, or undermining the socialist market economic order; or who has been deprived of political rights due to criminal conviction, with less than five years having elapsed since the completion of his/her sentence; or who has been granted probation, with less than two years having elapsed since the expiration of the probation period;

(III) a person who was a director, factory chief or manager of a company or enterprise which became insolvent and was liquidated, and were personally liable for the insolvency of such company or enterprise, with less than three years having elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(IV) a person who was the legal representative of a company or enterprise whose the business license was revoked and which was ordered to close due to violation of the law, and who was personally liable for the revocation, with less than three years having elapsed since the date of the revocation of the business license thereof or the date such company or enterprise was ordered to close;

(V) a person who has been listed as a dishonest debtor by the people's court due to a large amount of debt that has not been repaid upon maturity;

(VI) a person who has been subject to administrative punishment by the CSRC in the last three years, or has been filed for investigation by the judicial authority due to suspected crimes or has been filed for investigation by the CSRC due to suspected violations of laws and regulations, and has not yet reached a clear conclusion;

(VII) a person who has been publicly censured or criticized for more than three times by the stock exchanges over the past 3 years;

(VIII) a person who has been banned from entering the securities market by the CSRC or other regulatory authorities and whose term has not expired;

(IX) a person who has been publicly deemed by a stock exchange where the shares of the Company are listed or other regulatory authorities as unsuitable to serve as a director and senior management of a listed company and the term of prohibition has not expired;

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

The aforesaid period shall start from the date of convening the shareholders' general meeting or Board meeting to elect the director.

A candidate for director shall report to the Board as soon as possible when him/her becomes (or ought reasonably to have become) aware of that him/her has been elected as candidate. Where a candidate for director under any of the circumstances listed in the first paragraph of this Article, the Company shall not submit him/her as candidate for director to the shareholders' general meeting for voting.

The election, appointment or engagement of any director in violation of the provisions of this Article shall be invalid and void. Any director who becomes disqualified during his/her term of office pursuant to this Article shall be removed from office by the Company and suspend his/her duties.

Non-employee representative directors shall be elected or replaced at the shareholders' general meeting and may be removed before the expiry of the term at the shareholders' general meeting. The term of office of directors shall be three years, and the directors shall be eligible for re-election upon expiration of their term of office in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed. Subject to the securities regulatory rules of the place where the Company's shares are listed, any director appointed by the Board of Directors to fill a casual vacancy or as an addition to the Board of Directors shall hold office only until the first annual general meeting of the issuer following his/her appointment, and shall then be eligible for re-election. Subject to the compliance with the relevant laws, regulations and securities regulatory rules of the place where the Company's shares are listed, the shareholders shall have power by ordinary resolution to remove any director (including a managing director or any other executive director) at the shareholders' general meeting before the expiration of his/her term of office.

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

Directors may concurrently hold positions as senior managers; however, the total number of directors who concurrently hold positions as senior managers and directors who are representatives of employees shall not exceed one-half of the total number of directors of the Company.

Directors shall, in principle, attend the Board meetings in person, act in a reasonably prudent and diligent manner, and give clear advice on matters under discussion. If a director fails to attend the Board meetings in person or fails to appoint any other director to attend on his/her behalf as his/her proxy for two consecutive times, he/she shall be deemed to be unable to perform his/her duties, and the Board of Directors shall propose to the shareholders' general meeting to remove such director. Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, a director shall be deemed to have attended a board meeting in person if he/she attends the meeting by means of internet, video, telephone or other means with equivalent effect.

A director may tender his/her resignation before the expiration of his/her term of office. A director who resigns shall submit a written resignation report to the Company. The resignation shall become effective on the date when the Company receives the resignation report. The Company shall disclose the relevant circumstances within 2 trading days, or the timeframe required by the securities regulatory rules of the place where the Company's shares are listed.

If the members of the Board of Directors of the Company falls below the minimum quorum due to the resignation of a director, the outgoing directors shall continue to perform their duties in accordance with the requirements of laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the newly elected directors take office.

Should the resignation of an independent director result in the proportion of independent directors in the Board of Directors or its special committees failing to meet the requirements of laws and regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, or if there is a lack of accounting professionals amongst the independent directors, the independent director proposing to resign shall continue to perform his/her duties until the date when a new independent director is appointed. The election to fill the vacancy shall be completed by the Company within sixty days from the date of resignation of such independent director.

Board of Directors

The Company shall have a board of directors, consisting of 8 directors that include three independent directors and one employee representative. It shall have one chairman and may have vice chairmen. The chairman and vice chairmen shall be elected by a board meeting with a majority votes of all directors. The employee representative directors are elected by employees of the Company through an employee representatives' meeting, employee meeting or otherwise democratically, without submission to the shareholders' general meeting for deliberation.

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

(I) to convene shareholders' general meetings and report on their work to the shareholders' general meeting;

(II) to implement the resolutions of the shareholders' general meetings;

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

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

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

(VI) to formulate plans for major acquisitions, purchase of our Company's shares, or merger, division, dissolution and change of form of our Company;

(VII) within the scope authorized by the shareholders' general meeting, to decide on the Company's external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related party transactions, and external donations, etc.;

(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 general manager, secretary to the Board of Directors, and other senior management personnel; to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer, and other senior management personnel based on the general manager's nomination, and to determine their remuneration and rewards and penalties;

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

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

(XII) to manage the information disclosure matters of the Company;

(XIII) to propose to the shareholders' general meeting the appointment or change of the accounting firm acting as the auditors of the Company;

(XIV) to listen to the work report of the Company's general manager and inspect the general manager's work;

(XV) to formulate proposals for the equity incentive scheme of the Company;

(XVI) to decide on the establishment of special committees under the Board of Directors;

(XVII) to exercise other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the resolutions of the shareholders' general meetings of the Company.

The Board shall provide explanation for non-standard audit opinions on the financial reports of the Company given by certified public accountants at the shareholders' general meeting.

The Board of Directors shall formulate the rules of procedure for the Board meetings to ensure that the Board of Directors can implement the resolutions of the shareholders' general meeting, improve work efficiency and ensure scientific decision-making. The rules of procedure of the Board meetings shall be formulated by the Board of Directors as annexed to the Articles of Association and approved by the shareholders' general meeting.

The Board of Directors shall determine the scope of authority of external investments, acquisition and sales of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions and external donations, and establish strict review and decision-making procedures; arrange relevant experts and professionals to review major investment projects and submit them to the shareholders' general meeting for approval.

Except for matters required to be considered and approved by the shareholders' general meeting under the Articles of Association, the securities regulatory rules of the place where the Company's shares are listed, and other internal regulations of the Company, transactions (other than the provision of guarantees and financial assistance) of the Company shall be submitted to the Board of Directors for consideration if they meet one of the following criteria:

(I) the total assets in respect of the transaction (the higher will prevail in case both book value and assessed value are available) account for more than 10% of the Company's latest audited total assets;

(II) the trading amount of the transaction accounts for more than 10% of the Company's market value;

(III) the net assets related to the subject matter of the transaction (such as equity) in the latest accounting year account for more than 10% of the Company's market value;

(IV) the operation revenue of the subject matter of the transaction (such as equity) in the latest accounting year accounts for more than 10% of the audited operation revenue of the Company in the latest accounting year, and exceeds RMB10 million;

(V) the profit generated from the transaction accounts for more than 10% of the audited net profit in the latest accounting year of the Company, and exceeds RMB1 million;

(VI) the net profit related to the subject matter of the transaction (such as equity) in the latest accounting year accounts for more than 10% of the audited net profit in the latest accounting year of the Company, and exceeds RMB1 million.

(VII) the Board of Directors shall have the authority to deliberate on the following financing matters: any single or aggregate amount in an accounting year accounts for more than 10% but less than 50% of the total audited assets in the latest accounting year of the Company.

Where any data referenced in the foregoing indicators is negative, the absolute value shall be taken for calculation purposes.

The calculation standards for the foregoing indicators shall be implemented in accordance with the relevant requirements of the STAR Market Listing Rules. Except for matters otherwise prescribed by the laws and regulations and the rules of Shanghai Stock Exchange regarding the provision of guarantees, financial assistance and the entrusted wealth management, transactions of the same category and related to the subject matter shall be subject to the foregoing provisions based on the principle of cumulative calculation for 12 consecutive months. Transactions for which relevant obligations have already been fulfilled under this provision shall not be included in the relevant cumulative calculation.

Where a transaction of the Company is subject to the principle of cumulative calculation for 12 consecutive months as stipulated in the foregoing provision, and the disclosure standards stipulated by the STAR Market Listing Rules are met, the transaction may simply be disclosed in accordance with the relevant requirements of Shanghai Stock Exchange, and an announcement shall be published to explain the transaction that failed to meet the disclosure standards cumulatively in the previous period.

Where transactions (other than the provision of guarantees) of the Company with its related parties meet one of the following criteria, they shall be subject to the rules of procedures of the Board meetings upon approval by a majority of all independent directors and disclosed in a timely manner:

(I) a transaction with related natural persons with a trading amount of more than RMB0.3 million;

(II) a transaction with related legal persons with a trading amount accounting for more than 0.1% of the Company's latest audited total assets or market value and exceeding RMB3 million.

The shareholders' general meeting shall have the authority to decide matters in respect of external guarantees as stipulated in Article 47 of the Articles of Association. All other matters in respect of external guarantees beyond the approval authority of the shareholders' general meeting shall be subject to the decisions of the Board of Directors.

The chairman shall exercise the following functions and powers:

(I) to preside over the shareholders' general meeting and convene and preside over the Board meetings;

(II) to procure and check the implementation of the resolutions of the Board meetings;

(III) to sign the securities certificates, corporate bonds, and other equity securities issued by the Company;

(IV) to decide on matters related to the Company's transactions (other than the provision of guarantees, receipt of cash assets as gift, and exempting the indebtedness of the Company only) failing to meet any of criteria within the consideration of the Board of Directors;

(V) in the event of any emergent situation due to force majeure such as catastrophic natural disasters, to exercise special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company, and subsequently report such activities to the Company's Board meetings and the shareholders' general meeting;

(VI) to exercise other functions and powers conferred by laws, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Board.

The Company's vice chairman shall assist the chairman in performing his/her duties. Where the chairman is unable or fails to perform his/her duties, the vice chairman may perform such duties on behalf of the chairman (if there are two or more vice chairmen, the one elected by a majority of the directors shall perform such duties). When the vice chairman is unable or fails to perform his/her duties, a director shall be elected by a majority of the directors to perform such duties. Where the Company does not have a vice chairman, and the chairman is unable or fails to perform his/her duties, a director shall be elected by a majority of the directors to perform such duties.

Board meetings shall be held at least four times every year and convened by the chairman via giving a written notice to all directors 14 days in advance of such meeting.

Under any of the following circumstances, the chairman shall convene and preside over a board meeting within 10 days after receiving the proposal of convening the meeting:

(I) when proposed by shareholders representing over 10% of the voting rights;

(II) when jointly proposed by more than 1/3 of the directors;

(III) when proposed by the audit committee;

(IV) when proposed by the general manager;

(V) when proposed by more than half of the independent directors;

(VI) when deemed necessary by the chairman;

(VII) when requested by a securities regulatory authority;

(VIII) when in any other circumstance specified in the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice of convening an extraordinary Board meeting shall be delivered by hand, by fax, by post, email or telephone or other means. Such notice shall be served to all directors and other attendees three days in advance of such meeting.

Under an urgent circumstance that a Board meeting is required, the notice thereof may be given without respect to the aforementioned restrictions regarding the time and methods. However, prior unanimous consent or confirmation from all directors must be obtained before the meeting convenes. The convener shall make a corresponding explanation at the meeting and record it in the minutes of the Board meeting.

Independent Directors

Independent directors shall remain independent. The following individuals may not serve as independent directors:

(I) persons holding office in the Company or its affiliates and their spouses, parents, children or major social relatives;

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

(III) persons holding office in any shareholder directly or indirectly holding more than 5% of issued shares of the Company or in the top five shareholders of the Company and their spouses, parents and children;

(IV) persons holding office in any affiliate of the controlling shareholders or de facto controllers of the Company and their spouses, parents and children;

(V) persons who have material business dealings with the Company or its controlling shareholders or de facto controllers or their respective affiliates, or who hold office in any entity having material business dealings or its controlling shareholders or de facto controllers;

(VI) persons providing financial, legal, consulting, sponsoring or other services to the Company, its controlling shareholders, de facto controllers or their respective affiliates, including but not limited to all members of the project team of an intermediary providing services, reviewers at all levels, persons signing reports, partners, directors, senior management and principals;

(VII) persons who have been in the situations listed in the items (I) to (VI) hereof within the last 12 months;

(VIII) other persons who are not independent as stipulated by the laws, administrative regulations, requirements of the CSRC, rules of the stock exchange(s) or the Articles of Association.

The affiliates of controlling shareholders or de facto controllers of the Company as referred to items (IV) to (VI) above do not include enterprises controlled by the same state-owned asset administration authority as the Company and not constituting related parties of the Company under relevant provisions.

Independent directors shall conduct self-assessment of their independence each year and submit the results thereof to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent directors, issue specific opinions thereon and disclose simultaneously with the annual report.

A person to serve as an independent director of the Company shall meet the following conditions:

(I) being qualified to serve as director of a listed company according to the laws, administrative regulations and other relevant requirements;

(II) meeting the independence requirements stipulated by the Articles of Association;

(III) having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;

(IV) having more than five years of legal, accounting or economic work experience necessary to perform the duties of an independent director;

(V) having good personal morality, with no bad records such as major dishonesty;

(VI) other conditions stipulated by the laws, administrative regulations, requirements of the CSRC, rules of the stock exchange(s) and the Articles of Association.

Independent directors shall exercise the following special functions and powers:

(I) independently engage intermediaries to audit, provide consultation on or verify specific matters of the Company;

(II) propose the convening of extraordinary general meetings to the Board of Directors;

(III) propose the convening of Board meetings;

(IV) openly solicit shareholders' rights from shareholders in accordance with the laws;

(V) express independent opinions on matters potentially detrimental to interests of the Company or its minority shareholders;

(VI) other functions and powers as provided by the laws, administrative regulations, requirements of the CSRC and the Articles of Association.

Any exercise of the functions and powers as referred to in items (I) to (III) in the preceding paragraph by the independent directors shall be approved by more than half of all independent directors.

The Company shall disclose in a timely manner any exercise of the functions and powers set out in item (I) by the independent directors. If any of the aforesaid functions and powers could not be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

The following matters shall be approved by more than half of all the independent directors of the Company before submitting them to the Board of Directors for consideration:

(I) discloseable related transactions;

(II) proposed changes or waivers of undertakings by the Company and the relevant parties;

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

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

The Company shall establish a mechanism for special meetings which will be attended by independent directors only. Matters such as related party transactions to be considered 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 listed in items (i) to (iii) of paragraph 1 of Article 138 and in Article 139 of the Articles of Association 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 shall be convened and chaired by one independent director elected by more than half of the independent directors; in the event that the convener fails or is unable to perform his/her duties, two and more independent directors may convene a meeting on their own and elect one representative to preside over the meeting. Minutes of special meetings of independent directors should be prepared in accordance with the regulations, and the views of independent directors should be set out in the minutes. The independent directors should sign to confirm the minutes of the meeting. The Company shall facilitate and support the convention of the special meetings of the independent directors.

Special Committees under the Board of Directors

The board of directors of the Company shall establish an audit committee to perform the functions and powers of the supervisory committee as stipulated in the Company Law.

The audit committee shall consist of at least three non-executive directors who do not hold senior management positions in the Company, of which a majority shall be independent directors, with accounting professionals among the independent directors serving as conveners.

The audit committee is responsible for reviewing the Company's financial information and its disclosure, monitoring and evaluating internal and external audit work and internal controls and the following matters shall be submitted to the board of directors for consideration with the approval of a majority of the members of the audit committee:

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

(II) engagement or dismissal of the accounting firm that undertakes the auditing of the listed company;

(III) appointment or dismissal of the chief financial officer of the listed company;

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

(V) other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

The audit committee shall convene a meeting at least once a quarter, and may convene extraordinary meetings upon the proposal of two or more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of at least two-thirds of the members.

The resolutions made by the audit committee shall be passed by more than half of the members of the audit committee.

For voting on a resolution of the audit committee, each member shall have one vote.

Minutes shall be prepared for the resolutions of the audit committee as required and shall be signed by the members of the audit committee present at the meetings.

The board of directors shall be responsible for formulating work procedures for the audit committee.

The board of directors of the Company has established the strategy committee, the nomination committee, the remuneration and appraisal committee and other special committees to perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and the proposals of the special committees shall be submitted to the board of directors for review and decision. The board of directors is responsible for formulating work procedures for special committees. More than half of the members of the nomination committee and the remuneration and appraisal committee shall be independent directors and the same shall serve as conveners.

The nomination committee is responsible for formulating the criteria and procedures for selection of directors and senior management, selecting and reviewing the candidates for directors and senior management and their qualifications, and making recommendations to the board of directors on the following matters:

(I) nomination or appointment and removal of directors;

(II) appointment or dismissal of senior management;

(III) other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and the specific reasons for its non-adoption in a resolution of the board of directors and disclose the same.

The remuneration and appraisal committee is responsible for the formulation of standards for appraising and conducting evaluation of directors and senior management, and the formulation and review of the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for directors and senior management, and making recommendations to the board of directors on the following matters:

(I) remuneration of directors and senior management;

(II) formulation of or change to equity incentive plans and employee stock ownership plans, and the achievement of conditions for incentive recipients to be granted with and exercise interests;

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

(IV) other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and appraisal committee, it shall record the opinion of the remuneration and appraisal committee and the specific reasons for its non-adoption in a resolution of the board of directors and disclose the same.

Senior Management

The Company shall have one general manager, who shall be appointed or dismissed at the discretion of the board of directors.

The deputy general manager of the Company shall be appointed or dismissed at the discretion of the board of directors.

The provisions of the Articles of Association in relation to the circumstances under which a person may not serve as a director and the management system for resignations shall also apply to senior management at the same time.

The provisions of the Articles of Association regarding the loyalty obligations and the diligence obligations of directors shall also apply to senior management at the same time.

Any person who holds any administrative office (other than director or supervisor) in the controlling shareholder and de facto controllers of the Company shall not hold any office of senior management in the Company concurrently.

The senior management may receive their remunerations from the Company only, rather than from the controlling shareholder of the Company.

The general manager shall have a term of office of three years and may serve consecutive terms upon reappointment.

The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

(I) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the board of directors and report on work to the board of directors;

(II) to organize and implement the Company's annual business plan and investment proposals;

(III) to draft plans for the establishment of the Company's internal management organizations;

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

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

(VI) to propose to the board of directors on the appointment or dismissal of deputy general manager, chief financial officer and other senior management of the Company;

(VII) to decide on the appointment or dismissal of management personnel other than those who shall be appointed or dismissed by the board of directors;

(VIII) to propose to convene an extraordinary meeting of the board of directors;

(IX) to propose plans or systems of salaries, benefits, rewards and punishments for the employees of the Company and decide on the appointment and dismissal of them;

(X) to exercise other functions and powers conferred by the Articles of Association or the board of directors.

The general manager shall attend the meetings of the board of directors.

The Company shall have a secretary to the board of directors, nominated by the chairman of the board of directors, appointed and dismissed by the board of directors. The secretary to the board of directors of the Company shall be responsible for the preparation of the shareholders' general meeting and the meetings of the board of directors of the Company, document keeping and management of shareholders' information of the Company and shall deal with information disclosure and other matters.

The secretary to the board of directors shall comply with the laws, administrative regulations, departmental rules and relevant provisions of the Articles of Association.

Where a member of senior management causes damage to others in executing his/her office in the Company, the Company shall be liable for compensation. Where a member of senior management acts with intent or gross negligence, he/she shall also bear the liability for compensation.

Where a member of senior management violates any laws, administrative regulations, departmental rules or provisions of the Articles of Association in executing his/her office in the Company, causing losses to the Company, he/she shall be liable for compensation.

The senior management of the Company shall faithfully perform their duties, and safeguard the best interests of the Company and all shareholders. Where a member of senior management fails to perform his/her duties faithfully or violates the fiduciary duty, causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with law.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall submit and disclose its annual reports to the branch office of the CSRC and the stock exchange of the place where the Company's shares are listed within four months from the end of each fiscal year, and its interim reports to the branch office of the CSRC and the stock exchange of the place where the Company's shares are listed within two months from the end of the first six months of each fiscal year. If it is otherwise provided by the securities regulatory authorities of the place where the Company's shares are listed, the provisions thereof shall prevail.

The above annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange.

The Company shall not establish any other accounting books except for the statutory ones. No assets of the Company shall be deposited in any account opened in the name of any individual.

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve funds. When the aggregate amount of the statutory reserve funds of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve funds of the Company are insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph.

After withdrawing the statutory reserve funds from the after-tax profit, the Company may, subject to a resolution of the shareholders' general meeting, withdraw the discretionary reserve funds from the after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings, unless the Articles of Association stipulated that distribution is not based on the proportion of shareholdings.

Where the shareholders' general meeting, in violation of the Company Law, distributes the profits to the shareholders, the shareholders shall return the profits distributed in violation of the provisions to the Company. In case of losses 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 it are not entitled to any profit distribution.

Reserve funds of the Company are used for recovering losses of the Company and expanding production and operation of the Company or conversion into its registered capital.

When the reserve funds are used to make up for the Company's losses, the discretionary reserve funds and the statutory reserve funds shall be used first; if the losses still cannot be made up, the capital reserve funds can be used in accordance with the requirements.

When the statutory reserve funds are converted to increase the registered capital, the remaining amount of such reserve funds shall not be less than 25% of the registered capital of the Company before the conversion.

INTERNAL AUDIT

The Company shall conduct internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after being approved by the board of directors and disclosed to the public.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall engage an accounting firm that complies with relevant laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, as well as the requirements of relevant regulatory authorities, to conduct accounting statement audits, net asset verification and other related consulting services. The term of appointment is one year and is renewable. Renewal or change (including new appointment or dismissal) of the accounting firm requires a separate information disclosure announcement.

The Company's appointment and dismissal of an accounting firm shall be decided on the shareholders' general meeting, and the board of directors may not appoint an accounting firm before a decision is made on the shareholders' general meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or make false reports.

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

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give a 30-day prior notice to the accounting firm. When a shareholders' general meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved for the following reasons:

(I) the term of business operation set out in the Articles of Association has expired or other reasons for dissolution specified in the Articles of Association have occurred;

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

(III) dissolution is necessary due to a merger or division of the Company;

(IV) the business license is revoked, the Company is ordered to close or is wound up according to the laws;

(V) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding more than 10% of the voting rights of the Company may appeal to the People's Court for dissolution of the Company.

The Company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

In the circumstances set forth in items (I) and (II) of the first paragraph of Article 197 of the Articles of Association, and where no property has been distributed to shareholders, the Company may carry on its existence by amending the Articles of Association or by resolution of the shareholders' general meeting.

Amendments to the Articles of Association pursuant to the preceding paragraph or by resolution of the shareholders' general meeting shall be subject to the approval of more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.

Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of the first paragraph of Article 197 of the Articles of Association, it shall be liquidated. The directors shall be the obligors for the Company's liquidation and shall establish a liquidation group to commence liquidation within 15 days from the emergence of the reasons for dissolution. The liquidation group shall be composed of personnel determined by the directors or the shareholders' general meeting. Where the liquidation obligors fail to timely perform their liquidation obligations and cause losses to the Company or creditors, they shall be liable for compensation.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

(I) following the amendments to the Company Law or relevant laws, administrative regulations and/or the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the amended laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed;

(II) the Company's situation changes and is inconsistent with the matters recorded in the Articles of Association;

(III) the shareholders' general meeting has decided on making amendments to the Articles of Association.

Where the amendments to the Articles of Association approved by the shareholders' general meetings are subject to examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve registration of the Company, the Company shall register relevant changes according to the laws.