This Appendix is mainly providing investors with an overview on the Articles of Association of our Company. The following information is only a summary, not covering all the information that may be material to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in a fair and equal manner, and each share shall rank pari passu with other shares of the same class. Shares of the same class issued at the same time shall be issued with the same conditions and price per share; subscribers shall pay the same price per share for the subscription of shares.

The domestic unlisted shares of the Company shall be registered and deposited at the domestic securities registration and settlement institution in a centralized manner. Overseas listed shares issued by the Company may be principally kept by trustee escrow companies under Hong Kong Securities Clearing Company Limited in accordance with applicable Hong Kong laws and the practice of securities registration and depository.

All the shares issued by the Company are denominated in Renminbi.

SHARE ADDITIONS, REPURCHASES AND TRANSFERS

Share increase or decrease

The Company may, pursuant to a resolution passed by a shareholders' meeting, adopt any of the following methods to increase its capital according to its operation and development needs and in compliance with the provisions of laws and regulations:

(1) share issuance to unspecified parties;

(2) share issuance to specified parties;

(3) distribution of bonus shares to existing shareholders;

(4) conversion of the common reserve fund into additional share capital; and

(5) other means as required by laws and administrative regulations and approved by the relevant regulatory authorities.

When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of adopting the resolution to reduce the registered capital, and make an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors have the right to demand the Company to pay off its debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if they have not received the notice.

Share repurchases

The Company shall not acquire its own shares except under any of the following circumstances:

(1) to reduce the registered capital of the Company;

(2) to merge with other companies which hold shares of the Company;

(3) to use shares in employee shareholding plans or equity incentives;

(4) the shareholder requests the Company to purchase its shares due to objection to the resolution on the merger or division of the Company made by the shareholders' meeting;

(5) to convert shares into corporate bonds issued by the Company that can be converted into share certificates;

(6) where it is necessary for the Company to safeguard the Company's value and shareholders' interests; and

(7) other circumstances permitted by laws, administrative regulations, departmental rules, normative documents, Hong Kong Listing Rules, and other regulatory rules of the place where the Company's shares are listed.

The Company may acquire its own shares by public centralized transaction, or other methods approved by the laws, administrative regulations, normative documents, Hong Kong Listing Rules, and other regulatory rules of the place where the Company's shares are listed, as well as the CSRC, other competent regulatory authorities or the stock exchanges (if applicable). Where the Company acquires its own shares due to the circumstances specified in items (3), (5) and (6) of the above, the acquisition shall be conducted through a public centralized transaction, provided that it complies with the requirements of Hong Kong Listing Rules and the regulatory rules and guidelines of Hong Kong Stock Exchange. Where the Company acquires its own shares due to the circumstances specified in items (1) and (2) of the above, the acquisition shall be subject to a resolution of the shareholders' meeting. Where the Company acquires its own shares due to the circumstances specified in items (3), (5) and (6) of the above, the acquisition shall be resolved by more than two-thirds of the directors who attended the Board meeting according to the provisions of the Articles of Association or as authorized by the shareholders' meeting. After the Company acquires the shares of the Company pursuant to the above provisions, those acquired for the purpose under item (1) shall be cancelled within 10 days of the acquisition; those acquired for the purposes under items (2) and (4) shall be transferred or cancelled within 6 months; the total number of shares held by the Company itself for the purposes under items (3), (5) and (6) shall not exceed 10% of the Company's total issued shares and shall be transferred or cancelled within three years. Where laws, administrative regulations, departmental rules, normative documents, Hong Kong Listing Rules, and other relevant regulatory rules of the place where the Company's shares are listed provide otherwise for matters relating to share repurchases, such provisions shall prevail.

Transfer of shares

The shares issued by the Company prior to the public issuance of shares shall not be transferred within one year from the date of listing of the Company's shares on the stock exchange.

Directors and senior management of the Company shall report to the Company on the shares of the Company held by them and their changes. During their term of office as determined at the time of their appointment, the shares transferred each year shall not exceed 25% of the total number of shares they held in the Company. The shares of the Company shall not be transferred within one year from the date of listing. The above-mentioned personnel shall not transfer the shares of the Company held by them within half a year after their resignation.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders on the basis of the certificates provided by the securities depository and clearing institution, and the register of shareholders shall be sufficient evidence that shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(1) being entitled to dividends and other forms of distribution of benefits based on the number of shares held by them;

(2) requesting to hold, convene, preside over, attend or appoint a proxy to attend a shareholders' meeting pursuant to the law and exercising the corresponding speaking and voting rights;

(3) supervising the Company's business operations, proposing recommendations or raising queries;

(4) transferring, donating or pledging shares held by them pursuant to the provisions of laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association;

(5) inspecting and making copies of the Company's Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of Board meetings and financial accounting reports;

(6) participating in the distribution of residual property based on their shareholding upon termination or liquidation of the Company;

(7) requesting by a shareholder who objects to the resolution on merger or division passed by the shareholders' meeting that the Company acquire his/her shares; and

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

The shareholders who separately or aggregately hold 3% or more of the Company's shares for 180 consecutive days or more may request to inspect the accounting books and accounting vouchers of the Company. Where a shareholder requests to access the accounting books or accounting vouchers of the Company, it shall make a written request and state the purposes therefor. If the Company, with justifiable reasons, considers that the shareholder's request to inspect the accounting books or accounting vouchers has any improper purpose and may damage the lawful rights and interests of the Company, it may reject the request of the shareholder, and shall, within 15 days as of the day when the shareholder makes the written request, give the shareholder a written reply and state the reasons therefor. If the Company refuses to provide access, the shareholder may bring a lawsuit to the People's Court.

If the resolutions of the shareholders' meeting or the Board meeting of the Company violate the laws or administrative regulations, the shareholders shall have the right to request the People's Court to determine that the resolutions are invalid. If the procedures for convening the meetings of the shareholders' meeting or the Board, or the way of voting violates the laws, administrative regulations or the Articles of Association, or the content of the resolutions violates the Articles of Association, the shareholders shall have the right to request the People's Court to revoke the resolutions within 60 days from the date when the resolutions are made, unless there is only a minor defect in the procedures for convening a shareholders' meeting or the Board meeting or in the manner of voting thereat, which does not materially affect the resolution.

Shareholders of the Company shall undertake the following obligations:

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

(2) pay for the shares in accordance with the number of shares subscribed for and the manner of share subscription;

(3) shall not withdraw their share capital except for the circumstances stipulated by laws and regulations;

(4) not abuse the rights of shareholders to damage the interests of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the Company; and

(5) other obligations stipulated by laws, administrative regulations, Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

General requirements of shareholders' meetings

The shareholders' meeting is an organization of authority of the Company and exercises the following powers pursuant to the law:

(1) electing and replacing directors, and deciding the remuneration matters of the directors;

(2) deliberating and approving the reports of the Board;

(3) deliberating and approving the profit distribution plan and loss recovery plan of the Company;

(4) making resolution on increasing or decreasing the registered capital of the Company;

(5) making resolution on the issuance of corporate bonds or other securities and on the listing thereof;

(6) making resolution on the merger, division, dissolution, liquidation or change in the form of the Company;

(7) amending the Articles of Association;

(8) making resolution on engagement and dismissal of the accountant firm that undertakes the auditing of the Company;

(9) deliberating and approving the guarantees under Article 42 of the Articles of Association;

(10) deliberating purchases and sales of significant assets within a year exceeding 30% of the most recently audited total assets of the Company;

(11) deliberating and approving changes in use of proceeds;

(12) deliberating equity incentive plans and employee stock ownership plans;

(13) deliberating on matters concerning the acquisition of the Company's shares that shall be approved by the shareholders' meeting as stipulated by laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(14) deliberating on matters concerning connected transactions that shall be approved by the shareholders' meeting as stipulated by laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association; and

(15) deliberating other matters which shall be decided by the shareholders' meeting as required by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules (including but not limited to Chapter 14 and Chapter 14A thereof), securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A shareholders' meeting may authorize the Board to make resolutions on the issuance of company bonds.

Unless otherwise provided for in the Articles of Association, the functions and powers of the shareholders' meeting mentioned above may not be exercised by the Board or other organization or individual through authorization.

The following external guarantees by the Company must be deliberated and approved by the shareholders' meeting:

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries exceeds 50% of the most recently audited net assets;

(2) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the most recently audited total assets;

(3) any guarantee provided by the Company to others within one year where the amount of such guarantee exceeds 30% of the most recently audited total assets of the Company;

(4) any guarantee provided to guaranteed objects with asset-liability ratio exceeding 70%;

(5) any guarantee where a single guarantee amount exceeds 10% of the most recently audited net assets;

(6) any guarantee for shareholders, actual controllers and their connected parties; and

(7) other guarantees that shall be decided by the shareholders' meeting as required by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of shareholders' meeting

The Board shall convene shareholders' meetings in a timely manner within the prescribed period.

With the consent of more than half of all independent directors, the independent directors shall have the right to propose to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the resolution of the Board is made. Where the Board does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement.

The audit committee shall propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with the laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the resolution of the Board is made, and any changes to the original proposal in the notice shall be agreed with the audit committee.

Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the proposal, the Board shall be deemed to be unable to perform or fail to perform its duties of convening the shareholders' meeting, and the audit committee may convene and preside over the meeting by itself.

Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to request the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of the request.

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the resolution of the Board is made, and any changes to the original request in the notice shall be agreed with relevant shareholders.

Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or collectively holding more than 10% of the Company's shares have the right to propose to the audit committee to convene an extraordinary general meeting in writing.

Where the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed with relevant shareholders.

Where the audit committee fails to issue a notice of the shareholders' meeting within the prescribed period, the audit committee shall be deemed to not convene or preside over the shareholders' meeting, and the shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

Notice of shareholders' meeting

The convener shall notify all shareholders by way of an announcement 21 days before the annual shareholders' meeting and 15 days before an extraordinary general meeting. When calculating the aforementioned periods of "21 days" and "15 days", the Company shall not include the date of the meeting, but shall include the date of the issuance of the notice. If there are other provisions in laws, regulations and the securities regulatory authority of the place where the Company's shares are listed, the Company shall comply with those relevant provisions as well.

A notice of a shareholders' meeting shall be in writing and shall include the following:

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

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

(3) a clear statement that all shareholders have the right to attend the shareholders' meeting and may appoint a proxy in writing to attend the meeting and participate in voting. The shareholder's proxy does not have to be a shareholder of the Company;

(4) the record date for determining the eligibility of shareholders to attend the meeting;

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

(6) the voting time and voting procedures for online or other methods of voting (if applicable);

(7) the time and place for the delivery of the proxy power of attorney for the meeting voting; and

(8) other requirements stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

All specific contents of all proposals shall be fully and completely disclosed in the shareholder meeting notice and supplementary notice. If a matter to be discussed requires the opinion of an independent director, the opinion and the reasons therefor shall be disclosed at the same time as the notice or any supplementary notice of the shareholders' meeting is issued.

Proposals of shareholders' meeting

The content of the proposal should fall within the scope of functions and powers of the shareholders' meeting, have clear topics and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and Articles of Association.

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

Subject to Hong Kong Listing Rules, shareholders who individually or collectively hold 1% or more of the Company's shares may make a provisional proposal and submit it in writing to the Board 10 days before the shareholders' meeting. The Board shall issue a supplementary notice of the shareholders' meeting within 2 days of receipt of the proposal, announcing the content of the provisional proposal, and the provisional proposal shall be submitted to the shareholders' meeting for deliberation, unless the provisional proposal is in violation of any law, administrative regulation, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or that does not fall within the scope of powers of the shareholders' meeting.

Save for the circumstances specified in the preceding paragraph or as required by Hong Kong Listing Rules, the convener shall not modify the proposals listed in the notice of shareholders' meeting or add new proposals after issuing the notice of shareholders' meeting.

Proposals that are not listed in the notice of the shareholders' meeting or do not comply with the provisions of the Articles of Association shall not be voted on and resolutions made by the shareholders' meeting.

Delegations of the shareholders' meeting

A shareholder may attend a shareholders' meeting in person or by proxy to attend and vote on his/her behalf. Shareholders shall have the right to speak and vote at the shareholders' meeting, unless an individual shareholder is required to abstain from voting on a specific matter as prescribed by Hong Kong Listing Rules. The proxy may exercise the following rights in accordance with the authorization of the shareholder:

(1) the shareholder's right to speak at a shareholders' meeting;

(2) individually, or collectively with others, request to vote by poll; and

(3) exercise the right to vote by hand or on a poll, unless otherwise prescribed by relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or other securities laws and regulations.

If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid documents or certificates that can identify him/herself, if a shareholder authorizes a proxy to attend a meeting on his/her behalf, the proxy shall produce his/her own valid identity card and the power of attorney from the shareholder.

A legal person shareholder or other institutional shareholder shall attend the meeting by its legal representative (person-in-charge)/managing partner or by a proxy authorized by its legal representative (person-in-charge)/managing partner. A legal representative (person-in-charge)/managing partner attending the meeting shall present his/her identity card and a valid certificate proving his/her legal representative (person-in-charge)/managing partner status. A proxy attending the meeting shall present his/her identity card and a written power of attorney duly issued by the legal representative (person-in-charge)/managing partner of the legal person shareholder or institutional shareholder (unless the shareholder is a recognized clearing house or its nominee).

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances from time to time made in Hong Kong, such shareholder may authorize one or more persons it considers appropriate to act as a proxy or its representative at any shareholders' meeting. However, if more than one person is authorized, the proxy form or power of attorney shall specify the number and class of shares involved for each such person so authorized, and the proxy form or power of attorney shall be signed by a person authorized by the recognized clearing house. A person so authorized may, on behalf of the recognized clearing house (or its nominee), attend the meeting (without showing shareholding certificates, subject to notarized authorization and/or further evidence confirming that it is duly authorized) and exercise the statutory rights enjoyed by other shareholders, including the rights to speak and vote, as if the person were an individual shareholder of the Company. Such rights and powers include the right to vote in a personal capacity by a show of hands when a show of hands vote is permitted.

Voting at a shareholders' meeting

Resolutions of shareholders' meetings are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made at the shareholders' meeting shall be passed by more than half of the voting rights held by shareholders (including shareholders' proxies) present at the shareholders' meeting.

Special resolutions made at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including shareholders' proxies) present at the shareholders' meeting.

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

(1) work reports of the Board;

(2) the profit distribution plan and loss recovery plan drawn up by the Board;

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

(4) the annual report of the Company;

(5) making resolution on the engagement and dismissal of the accountant firm that undertakes the auditing of the Company; and

(6) other matters that shall be passed by special resolutions except those stipulated by laws, administrative regulations, Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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

(1) the Company increases or decreases its registered capital;

(2) the division, spin-off, merger, dissolution and liquidation of the Company;

(3) the modification of the Articles of Association;

(4) the purchases and sales of significant assets or provision of guarantees by the Company within a year exceeds 30% of the most recently audited total assets of the Company;

(5) the equity incentive plan;

(6) making resolution on the issuance of corporate bonds or other securities and on the listing thereof; and

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

Shareholders (including shareholders' proxies) shall exercise their voting rights based on the number of voting shares they represent, and each share is entitled to one vote. However, the Company's shares held by the Company carry no voting rights, and such shares are not included in the total number of voting shares held by shareholders present.

DIRECTORS AND THE BOARD

Directors

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term of office. Each term of office shall be three years. Upon the expiration of their term of office, directors may be re-elected, subject to compliance with Hong Kong Listing Rules.

The term of office of a director shall be calculated from the date of assuming office until the expiration of the term of the current Board. If a director's term of office expires and is not re-elected in time, until the re-elected director takes office, the original director shall still perform his or her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, the rules of the securities regulatory authority of the place where the Company's shares are listed and the Articles of Association.

A senior management member may concurrently serve as a director, provided that the aggregate number of directors who concurrently serve as members of the senior management and those who are employee representatives, shall not exceed one half of all the directors of the Company.

The chairman of the Board

The Board shall have one chairman, who shall be elected by a majority of all directors.

The chairman shall exercise the following functions and powers:

(1) preside over the shareholders' meetings and convene and preside over the Board meetings;

(2) supervise and inspect the implementation of Board resolutions;

(3) sign company stocks, corporate bonds and other valuable securities;

(4) sign important Board documents;

(5) in the event of force majeure emergencies such as major natural disasters, exercise special disposal rights over the Company affairs in compliance with laws and the Company's interests, and report to the Company's Board and shareholders' meeting afterward; and

(6) other powers granted by the Board, laws, administrative regulations, regulatory rules of the place where the Company's shares are listed.

The Board

The Board consists of 9 directors, including at least 3 independent directors.

The Board shall exercise the following functions and powers:

(1) convening the shareholders' meeting and reporting its work to the shareholders' meeting;

(2) executing resolutions of the shareholders' meeting;

(3) deciding the operational plans and investment plans of the Company;

(4) preparing the profit distribution plans and loss recovery plans of the Company;

(5) preparing plans for the Company to increase or decrease its registered capital, issue shares, bonds or other securities as well as the listing of the Company;

(6) drafting plans for the Company with respect to significant acquisitions, acquisition of its own shares, mergers, divisions, dissolution or change of the form of the Company;

(7) deciding the Company's external investments, acquisition and sale of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions, external donations and other matters within the scope authorized by the shareholders' meeting;

(8) deciding to establish the internal management organizations of the Company;

(9) deciding on the appointment or dismissal of the company's general manager and other senior management personnel, and determining their remuneration and rewards and punishments; Based on the nomination of the General Manager, decide on the appointment or dismissal of senior management personnel such as the Chief Financial Officer and financial manager of the company, and determine their remuneration and rewards and punishments;

(10) preparing the basic management system of the Company;

(11) preparing plans to amend the Articles of Association;

(12) managing information disclosure matters of the Company;

(13) requesting the shareholders' meeting to engage or replace the accounting firm that provides audit services to the Company;

(14) listening to the president's work report and reviewing the president's work; and

(15) other powers authorized by the laws, administrative regulations, departmental rules, Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association or the shareholders' meeting.

Any matters that are beyond the scope of authorization of the shareholders' meeting shall be submitted for consideration at the shareholders' meeting.

The Board shall meet at least 4 times a year, approximately once per quarter, of which there shall be at least two regular meetings per year. Board meetings shall be convened by the chairman. Notices of regular meetings of the Board shall be sent by the convener in writing to all directors 14 days prior to the meeting. Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the directors or the audit committee may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the Board meeting within 10 days after receiving the proposal.

A notice of an extraordinary Board meeting shall be sent in writing to all directors 3 days before the meeting. In cases of emergency where an extraordinary meeting of the Board needs to be convened as soon as possible, the time limit and form of delivery of the meeting notice may not be subject to the time limit stipulated in the preceding paragraph.

Board meetings should be attended by more than half of the directors. Unless otherwise provided for in the Articles of Association, resolutions made by the Board should be approved by more than half of all directors.

A director who has a connected relationship with an entity or individual involved in a matter to be resolved at a Board meeting shall promptly submit a written report to the Board. A director who has a connected relationship shall not vote on the resolution, nor shall he/she vote as a proxy for any other director. A Board meeting may be held if a majority of the directors who are not in a connected relationship are present, and the resolution of the Board meeting must be passed by a majority of the directors who are not in a connected relationship. If the number of directors who are not in a connected relationship present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Special committees of the Board

The Board of the Company has an audit committee in place to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law.

The Board of the Company sets up other special committees, such as the remuneration and appraisal committee and the nomination committee, to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for consideration and decision. The Board shall be responsible for formulating the working procedures of the special committees. The composition of the special committees shall comply with the laws, administrative regulations, departmental rules, the Listing Rules of Hong Kong Stock Exchange and other securities regulatory rules of the place where the Company's shares are listed or the relevant requirements stipulated by the relevant regulatory authorities.

Senior management members

The company has one general manager, who is appointed or dismissed by the board of directors. The General Manager serves as the Chief Executive Officer (CEO) of the company.

The General Manager (CEO), Deputy General Manager (Deputy CEO), Chief Technology Officer, Chief Operating Officer, Chief Financial Officer, and Financial Manager of the company are senior management personnel.

The general manager shall serve a term of three years, and may be re-appointed upon the expiration of the term.

The general manager is responsible to the Board and exercises the following functions and powers:

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

(2) organize and implement the Company's annual business plan and investment plan;

(3) formulate a plan for the establishment of the Company's internal management organization;

(4) formulate the Company's basic management system;

(5) formulate specific regulations of the Company;

(6) propose to the Board to appoint or dismiss the Chief Financial Officer, financial manager and other senior management members; and

(7) other powers granted by the Articles of Association or by the Board. The general manager shall attend Board meetings as a non-voting participant.

FINANCIAL ACCOUNTING SYSTEM

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations and relevant state departments. If a securities regulatory authority of the place where the Company's shares are listed has other provisions, such provisions shall apply.

The Company shall prepare and disclose its annual financial accounting report within four months after the end of each fiscal year and at least 21 days before the annual general meeting. The Company shall disclose a preliminary announcement of its interim results within two months from the end of the first six months of each fiscal year, and prepare and disclose its interim financial accounting report within three months from the end of the first six months of each fiscal year. The aforesaid financial accounting reports shall be prepared and disclosed in accordance with the relevant provisions of laws, administrative regulations, departmental rules, Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

Other than the statutory accounting books, the Company will not maintain separate accounting books. The Company's funds are not stored in accounts opened in any individual's name.

When the Company distributes after-tax profits for the year, it shall set aside 10% of the profits to be included in the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund is more than 50% of the Company's registered capital, no further amounts need to be set aside.

If the Company's statutory reserve fund is insufficient to make up for losses in previous years, it shall first utilize the current year's profits to make up for the losses before setting aside the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company has set aside the statutory reserve fund from the after-tax profits, it may withdraw discretionary reserve fund from the after-tax profits upon resolution of the shareholders' meeting.

The remaining after-tax profits after the Company has made up for its losses and withdrawn the reserve fund shall be distributed according to the proportion of shares held by shareholders, unless laws, regulations, the regulatory rules of the place where the Company's securities are listed or the Articles of Association provide for distribution not based on the proportion of shares held.

If the Company distributes profits to shareholders in violation of the provisions of the preceding paragraph, shareholders shall return the profits so distributed to the Company. If any loss is caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

The Company's shares held by the Company will not participate in the distribution of profits.

If the shareholders' meeting makes a resolution to distribute profits, the Board shall distribute the profits within six months from the date of the resolution.

The Company shall appoint one or more receiving agents for its H shareholders. The receiving agent shall, on behalf of the relevant shareholders, receive the dividends and other amounts payable distributed by the Company in respect of the H shares, declare such amounts on behalf of the holders of such securities to the customs, and make payments to such holders.

The Company's reserve fund shall be used to make up for the Company's losses, expand the Company's production and operations, or be converted to increase the Company's registered capital. When using reserve funds to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund shall be used first. If the losses still cannot be made up, the capital reserve fund may be used in accordance with the regulations. When the statutory reserve fund is converted to increase the registered capital, the remaining reserve fund shall not be less than 25% of the Company's registered capital prior to the conversion.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall engage an accounting firm that complies with the provisions of the Securities Law as well as Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed to conduct accounting statement audits, net asset verification and other related consulting services. The term of engagement shall be one year and may be renewed.

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

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

MERGERS, DIVISIONS, CAPITAL INCREASES AND CAPITAL REDUCTIONS

Company mergers may take the form of mergers by absorption or mergers by new establishment.

When a company absorbs other companies, it is called a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a merger by new establishment, and the merging parties are dissolved.

If the Company merges, the merging parties shall sign a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify creditors within 10 days from the date of making the merger resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Disclosure System. Creditors may require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If the Company merges, the claims and debts of the merging parties shall be inherited by the continuing company or the newly established company after the merger.

If the Company is divided, its property will be divided accordingly.

If the Company is divided, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of making the division resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Disclosure System.

The debts incurred before the Company is divided shall be jointly and severally liable by the companies after the division. However, this shall not be the case unless otherwise agreed upon in a written agreement between the Company and its creditors regarding debt settlement before the division.

If the Company needs to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify creditors within 10 days from the date of making the resolution to reduce the registered capital, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Disclosure System. Creditors have the right to require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If the Company is merged or divided and the registered items are changed, the registration of the change shall be carried out with the company registration authority in accordance with the law; if the Company is dissolved, the registration of the cancellation of the Company shall be carried out in accordance with the law; if a new company is established, the registration of the establishment of such company shall be carried out in accordance with the law.

If the Company increases or decreases its registered capital, it shall apply for a registration of the change with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

The Company will be dissolved for the following reasons:

(1) the business period stipulated in the Articles of Association expires or other reasons for dissolution stipulated in the Articles of Association occur;

(2) the shareholders' meeting makes a resolution to dissolve;

(3) dissolution is required due to company merger or division;

(4) the business license has been revoked, ordered to close, or revoked in accordance with the law; and

(5) if the Company encounters serious difficulties in its operation and management, and its continued existence will cause heavy losses to the interests of shareholders, and cannot be solved through other means, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

If the Company encounters the above-mentioned reasons for dissolution, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

The liquidation team shall exercise the following functions and powers during the liquidation period:

(1) clean up the Company's properties and prepare a balance sheet and an inventory of assets respectively;

(2) notify and announce creditors;

(3) handle the Company's uncompleted businesses related to liquidation;

(4) pay the taxes owed and the taxes incurred during the liquidation process;

(5) clear claims and debts;

(6) distribute the Company's remaining property after paying off its debts; and

(7) participate in civil litigation activities on behalf of the Company.

The liquidation team shall notify creditors within 10 days from the date of establishment, and shall publish an announcement within 60 days in newspapers or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation team within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if the notice is not received.

When a creditor declares claims, he or she shall explain the relevant matters of the claims and provide supporting materials. The liquidation team shall register the claims. During the period of reporting claims, the liquidation team shall not make settlements with creditors.

After cleaning up the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' meeting or the People's Court for confirmation.

The Company's property shall be distributed in proportion to the shares held by shareholders after it has been used to pay liquidation expenses, employees' wages, social insurance fees and statutory compensation, taxes owed, and the Company's debts.

During the liquidation period, the Company continues to exist, but it cannot carry out business activities unrelated to the liquidation. The Company's property will not be distributed to shareholders before it is settled in accordance with the provisions of the preceding paragraph.

After clearing the Company's property and preparing a balance sheet and an inventory of assets, if the liquidation team finds that the Company's property is insufficient to pay off its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the People's Court accepts the bankruptcy application, the liquidation team shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

After the Company's liquidation is completed, the liquidation team shall prepare a liquidation report, submit it to the shareholders' meeting or the People's Court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company registration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

(1) after the Company Law or relevant laws, administrative regulations, Hong Kong Listing Rules or securities regulatory rules of the place where the Company's shares are listed are revised, the matters stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations, Hong Kong Listing Rules or securities regulatory rules of the place where the Company's shares are listed;

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

(3) the shareholders' meeting makes a resolution to amend the Articles of Association.

If the amendments to the Articles of Association passed by the resolution of the shareholders' meeting should be reviewed and approved by the competent authority, they must be submitted to the competent authority for approval; if such amendments involve Company registration matters, the registration of the amendments shall be handled in accordance with the law.

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

Amendments to the Articles of Association are the information required to be disclosed in accordance with the provisions of the laws and regulations, and should be announced as required.