This appendix summarizes the main provisions of the Company's Articles of Association, effective from the date of listing of H shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with an overview of the Company's Articles of Association and therefore does not contain all the information that may be important to potential investors.

SHARES

Issue of Shares

The Company shall issue shares in an open, fair and just manner, and each share of the same class shall has the same right. For the same class of shares issued in the same offering, each share shall be issued on the same terms and conditions and at the same price; and any entity or individual subscribing for shares shall pay the same price per share.

Increase, Decrease and Buyback of Shares

Based on the needs of its operations and development, and in accordance with the provisions of laws and regulations, the Company may increase its capital by adopting the following methods upon separate resolutions passed by the shareholders' meeting:

(i) a public offering of shares according to law upon approval by relevant authorities;

(ii) non-public offering;

(iii) distribution of bonus shares to existing shareholders;

(iv) conversion of funds in the capital reserve into share capital; and

(v) other methods as stipulated by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, and as approved by the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**").

The Company may reduce its registered capital. When the Company reduces its registered capital, it shall go through the procedures in accordance with the Company Law, other relevant regulations and the provisions of the Articles of Association.

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

(i) decreasing the registered capital of the Company;

(ii) merging with another company that holds the Company's shares;

(iii) using the shares for an employee stock ownership plan or equity incentive;

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

(v) other circumstances under which the Company may buy back its own shares in accordance with laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

The Company may buy back its own shares through methods permitted by laws, administrative regulations, and other means approved by the CSRC.

If the Company buys back its own shares under the circumstances specified in items (I) and (II) of paragraph 1 of Article 21 of the Articles of Association, a resolution of the shareholders' meeting shall be required. If the Company buys back its own shares under the circumstances specified in item (III) of paragraph 1 of Article 21 of the Articles of Association, a resolution of the Board meeting attended by more than two-thirds of the directors may be adopted in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.

After the Company buys back its own shares in accordance with paragraph 1 of Article 21 of the Articles of Association, if the buyback falls under item (I), the shares shall be canceled within 10 days from the date of buyback. If the buyback falls under item (II) or item (IV) of paragraph 1 of Article 21, the shares shall be transferred or canceled within six months. If the buyback falls under item (III), the total number of the Company's shares held by the Company itself shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

Transfer of Shares

The shares of the Company may be transferred in accordance with the laws. The Company shall not accept any of its own shares as the subject of pledges. The shares issued before the Company's public offering of shares shall not be transferred within one year from the date when the Company's shares are listed and traded on a stock exchange. Where there are separate provisions by law, administrative regulation or the securities regulatory authority under the State Council on transfer of the Company's shares held by shareholders or actual controllers of listed companies, those provisions shall prevail.

The directors and senior management of the Company shall report to the Company the shares of the Company they hold and the changes therein. During their tenure as determined at the time of taking office, the number of shares they transfer each year shall not exceed 25% of the total number of shares of the Company they hold, and the shares they hold shall not be transferred within one year from the date when the Company's shares are listed and traded on a stock exchange. The above-mentioned persons shall not transfer the shares of the Company they hold within six months after leaving their positions.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

Shareholders of the Company are persons holding shares of the Company according to law. The Company shall keep a register of shareholders, which bears adequate evidence of shareholders holding shares of the Company. The shareholders enjoy rights and fulfill obligations as per the class of the shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations. If at any time the Company's shares are divided into different classes, any proposed change or abolition of the rights attached to any class of shareholders shall be effected only after such change or abolition has been passed by a special resolution at a separate meeting of the shareholders of the affected class.

The original copy of the register of H-share shareholders for [REDACTED] in Hong Kong shall be kept in Hong Kong for shareholders to inspect. However, the Company may suspend the handling of shareholder registration procedures in accordance with the applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are [REDACTED]. If the Company maintains a duplicate copy of the register of H-share shareholders and there is any inconsistency between the original and the duplicate copy of the register of H-share shareholders, the original shall prevail. Any shareholder registered in the register of H-share shareholders or any person requesting to have their name entered in the register of H-share shareholders may, if their share certificate is lost, apply to the Company for the issuance of a new share certificate. If an H-share shareholder applies for a replacement share certificate due to the loss of their share certificate, such application shall be handled in accordance with the laws and regulations of the place where the original register of H-share shareholders is kept, the securities regulatory rules of the place where the Company's shares are listed, or other relevant provisions. When the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation, or engages in other actions requiring the identification of shareholders' identities, the shareholders entitled to relevant rights and interests shall be determined based on the records in the register of shareholders.

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

(i) to obtain dividends and other forms of profit distribution in proportion according to the number of shares held;

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

(iii) to supervise the Company's business operations, propose recommendations or raise inquiries;

(iv) to transfer, give or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association.

(v) to inspect and reproduce the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board meetings, and financial and accounting reports;

(vi) in the event of termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to the number of shares they held;

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

(viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Shareholders who, individually or jointly, hold 3% or more of the Company's shares for a consecutive period of more than 180 days may request to inspect the accounting books and accounting vouchers of the Company and its wholly-owned subsidiaries.

Where the contents of a resolution of the shareholders' meeting or the Board of the Company violate the laws or administrative regulations, the shareholders shall be entitled to petition the people's court to declare the resolution invalid. If the convening procedure and voting method of the shareholders' meeting or the Board meeting run counter to the laws, administrative regulations or Articles of Association, or if the content of any resolution runs counter to the Articles of Association, the shareholders shall be entitled to request the people's court to revoke such resolution within 60 days after adoption of the resolution.

Where the directors or senior management members other than members of the Audit Committee violate the provisions of the laws, administrative regulations or the Articles of Association during the performance of their duties of the Company and cause losses to the Company, the shareholders severally or jointly holding 1% or more shares of the Company for a period of 180 consecutive days or longer may submit a written request to the Audit Committee to file a lawsuit with the people's court; where the members of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties of the Company and cause losses to the Company, the aforesaid shareholders may submit a written request to the Board to file a lawsuit with the people's court.

If the Audit Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request from shareholders or fails to institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names in the interests of the Company.

The shareholders of the Company shall undertake the following obligations:

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

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

(iii) not to withdraw shares, except for circumstances stipulated by laws and regulations;

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

(v) to fulfill other obligations as stipulated by laws, administrative regulations and the Articles of Association.

Shareholders of the Company who abuse shareholders' rights and cause damages to the Company or other shareholders shall be liable for compensation pursuant to the laws. Shareholders of the Company who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon interests of the Company's creditors shall assume joint and several liabilities for the Company's debts. If shareholders conduct any action stipulated in the preceding paragraph by using two or more companies controlled by him/her, each of the companies shall assume joint and several liability for any one of the company's debts.

General Rules for the Shareholder's Meeting

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

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

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

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

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

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

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

(vii) to amend the Articles of Association;

(viii) to resolve on the engagement and dismissal of accounting firms by the Company;

(ix) to consider and approve the matters concerning guarantees as specified in Article 39 of the Articles of Association;

(x) to consider the Company's purchase or disposal of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;

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

(xii) to consider other matters which, in accordance with laws, administrative regulations, department rules or Articles of Association, shall be decided by the shareholders' meeting.

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

Unless otherwise specified in the Articles of Association, the aforesaid functions and powers of shareholders' meetings shall not be exercised in proxy by the Board of Directors or other institution or individual.

The following external guarantees of the Company shall be submitted to the shareholders' meeting for consideration and approval after being considered and approved by the Board of Directors:

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

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

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

(iv) any guarantee provided for a target party whose asset-liability ratio is over 70%;

(v) any guarantee with a single guaranteed amount exceeding 10% of the latest audited net assets;

(vi) any guarantee provided to the Company's shareholders, de facto controllers and their related parties;

(vii) other external guarantees which, in accordance with the laws, administrative regulations, rules or other regulatory documents, must be considered and approved by a shareholders' meeting.

When the shareholders' meeting considers the guarantee matter specified in item (III) of the preceding paragraph, the resolution shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. For guarantee matters within the authority of the Board of Directors, such matters shall not only be approved by more than half of all directors but also be agreed to by more than two-thirds of the directors present at the Board meeting. When the shareholders' meeting considers a proposal to provide guarantees to shareholders, the de facto controller, or their related parties, the shareholder concerned or the shareholder controlled by such de facto controller shall abstain from voting on the matter. The resolution shall be passed by more than half of the voting rights held by the other shareholders present at the shareholders' meeting. Where the Company provides guarantees to its wholly-owned subsidiaries, or provides guarantees to its controlled subsidiaries and the other shareholders of such controlled subsidiaries provide guarantees in proportion to their respective interests, and such circumstances fall under items (I), (IV) or (V) of paragraph 1 of this Article, submission to the shareholders' meeting for consideration may be exempted, unless otherwise provided in the Articles of Association.

The shareholders' meeting shall be divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

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

(i) the number of directors is less than the minimum quorum stipulated by the Company Law or two-thirds of the number stipulated in the Articles of Association;

(ii) the outstanding losses of the Company amount to one-third of its total paid-up share capital;

(iii) shareholders who individually or jointly hold more than 10% of the Company's shares request to do so;

(iv) the Board deems it necessary to convene the meeting;

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

(vi) other circumstances as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

Convening of Shareholders' Meetings

Shareholders' meetings shall be convened by the Board of Directors according to law. Independent directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Regarding the proposal from the independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to agree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; if the Board of Directors does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons and notify the shareholders of the reasons.

The Audit Committee's proposal to the Board of Directors to convene an extraordinary shareholders' meeting shall be made in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to agree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, reply in writing to shareholders on whether or not to convene the extraordinary shareholders' meeting within 10 days after receiving the request. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days after receiving the request, shareholders who individually or jointly hold more than 10% of the Company's shares may propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unwilling to convene and preside over the shareholders' meeting, and shareholders who individually or jointly 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.

Where the Audit Committee or shareholders decide to convene a shareholders' meeting on their own initiative, they shall notify the Board of Directors in writing. Before the conclusion of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%. For shareholders' meetings convened by the Audit Committee or shareholders themselves, the Board of Directors and the secretary to the Board shall provide assistance, and the necessary expenses of the meeting shall be borne by the Company.

Proposals and Notice of Shareholders' Meetings

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

Shareholders who individually or jointly hold more than 1% of the Company's shares may submit temporary proposals in writing to the convener no later than ten days before the shareholders' meeting is held. The convener shall, within two days after receiving the proposal, issue a supplementary notice of the shareholders' meeting to inform all shareholders of the contents of the temporary proposal.

Except under the circumstances specified in the preceding paragraph, after the notice of the shareholders' meeting has been issued, the convener shall not modify the proposals listed in the notice of the shareholders' meeting or add new proposals.

Proposals not specified in the notice of the shareholders' meeting or not in compliance with Article 49 of the Articles of Association shall not be voted on or resolved upon at the shareholders' meeting.

The convener shall notify all the shareholders of the annual shareholders' meeting 21 days before the meeting and of the extraordinary shareholders' meeting 15 days before the meeting.

The notice of a shareholders' meeting shall specify:

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

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

(iii) a clear statement that all shareholders are entitled to attend the shareholders' meeting and appoint proxies in writing to attend and vote at such meeting, and that such proxies need not be shareholders of the Company;

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

(v) where a shareholders' meeting is held by correspondence or other means, the time and procedure for voting by correspondence or other means;

All specific contents of all proposals shall be fully and completely disclosed in the notice and supplementary notice of the shareholders' meeting.

After the notice of the shareholders' meeting is issued, such meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without due cause. In the case of any postponement or cancellation of the meeting, the convener shall explain the reasons to all the shareholders at least two workdays prior to the date on which the meeting is originally scheduled.

Holding of Shareholders' Meetings

All the shareholders whose names appear in the register of shareholders or their proxies are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

If the shareholders' meeting requires directors and senior management members to attend the meeting as observers, the directors and senior management members shall attend and accept shareholders' inquiries.

Shareholders' meetings shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting. A shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable or fails to perform his/her duties, one member of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting. A shareholders' meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener. When the presider of the meeting violates the rules of procedure during the shareholders' meeting, making it impossible to continue the meeting, with the consent of shareholders holding more than half of the voting rights present at the meeting, the shareholders' meeting may elect a person to serve as the presider to continue the meeting.

The Company shall formulate rules of procedure for shareholders' meetings which shall specify in detail the convening and voting procedures of shareholders' meetings, covering notification, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing. The rules of procedure for shareholders' meetings shall be appendix to the Articles of Association and shall be formulated by the Board of Directors and approved by the shareholders' meeting.

Voting and Resolutions of Shareholders' Meetings

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

The following matters shall be passed by an ordinary resolution of the shareholders' meeting:

(i) work reports of the Board of Directors;

(ii) the profit distribution plan and loss recovery plan formulated by the Board of Directors;

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

(iv) other matters than those required to be passed by a special resolution under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED] including the Listing Rules of Hong Kong Stock Exchange, or the Articles of Association.

The following matters shall be passed by a special resolution of the shareholders' meeting:

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

(ii) the division, spin-off, merger (save as otherwise specified in the Articles of Association), dissolution and liquidation of the Company;

(iii) change of corporate form;

(iv) amendments to the Articles of Association;

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

(vi) equity incentive plans;

(vii) other matters that are stipulated in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED] including the Hong Kong Listing Rules, 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) exercise their voting rights based on the number of voting shares they represent, and each share is entitled to one vote (unless individual shareholders are required to waive their voting rights on any particular matter by the securities regulatory rules of the place where the Company's shares are [REDACTED]). If any shareholder is required to waive his/her voting right or is restricted to voting only in favor of or against a certain matter according to the Hong Kong Listing Rules, the shareholder shall waive his/her voting right or abstain from voting according to such provisions; any vote cast by that shareholder or his/her proxy in violation of the relevant requirements or restrictions shall not be counted in the voting results.

The Company's shares held by the Company carry no voting rights, and such shares shall not be counted toward the total number of voting shares held by shareholders present at the shareholders' meeting. When the shareholders' meeting deliberates on matters concerning related party transactions, related shareholders shall not participate in the voting. The number of voting shares they represent shall not be included in the total number of valid votes. The resolution of the shareholders' meeting shall fully disclose the voting results of non-related shareholders.

Related shareholders shall proactively apply for recusal. If a related shareholder does not proactively apply for recusal, other shareholders who are aware of the situation have the right to request his/her recusal. When the shareholders' meeting deliberates on matters concerning related party transactions, the presider of the meeting shall remind related shareholders to abstain from voting before the shareholders cast their votes.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

Directors of the Company shall be natural persons. A person with any of the following circumstances shall not serve as a director of the Company:

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

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

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

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

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

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

(vii) having been publicly designated by the stock exchange as unsuitable to serve as a director, where the time limit has not expired;

(viii) other contents specified by laws, administrative regulations or departmental rules.

The aforementioned periods shall be calculated up to the date of the shareholders' meeting at which the intended director is to be elected.

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

Any director who is not an employee representative shall be elected or replaced by the shareholders' meeting and may be removed prior to the expiry of his/her term of office by the shareholders' meeting, but such removal shall not affect any claim for damages that such director may have under any contract. Directors who are employee representatives shall be elected by the employee representative meeting of the Company. The term of office of a director shall be three years, and a director may be re-elected and re-appointed upon expiry of the term of office.

The term of office of a director shall start from the date on which the said director assumes office to the expiry of term of office of the current Board of Directors. If the term of office of a director expires but re-election is not made responsively, or the director's resignation before expiry of his/her term of office causes the number of members of the Board of Directors to fall short of the quorum, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director takes office. When a director resigns, he/she shall notify the Company in writing, and the resignation shall take effect on the date the Company receives such notice; however, if any of the circumstances specified above apply, the director shall continue to perform his/her duties. The shareholders' meeting may resolve to remove a director, with the removal taking effect on the date of such resolution.

General manager or other senior management member may concurrently serve as a director, provided that the aggregate number of directors who concurrently serve as general manager or other senior management members and directors who are employee representatives shall not exceed one half of the total number of directors of the Company.

Directors shall fulfill duties of loyalty to the Company and take measures to avoid conflicts of interest between themselves and the Company, and shall not exploit their positions to seek improper benefits. Directors shall fulfill duties of diligence to the Company and perform their duties with the reasonable care generally due to managers in the best interests of the Company.

A director may tender a resignation before his/her term of office expires. A director's resignation shall be submitted to the Board of Directors in writing. If any director resigns so that the number of members of the Board of Directors falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director takes office. Save as provided in the preceding paragraph, a director's resignation shall be effective when his/her resignation is served to the Board of Directors.

If resignation of a director takes effect or his/her term of office expires, the said director shall duly complete all handover formalities with the Board of Directors. His/her duties of loyalty to the Company and shareholders thereof shall not terminate automatically upon expiry of his/her term of office but shall still be valid within the reasonable period specified in the Articles of Association. The period during which a director shall continue to bear duties of loyalty after his/her resignation becomes effective or his/her term of office expires is 24 months, and his/her duties of confidentiality in respect of the Company's information shall survive after expiry of his/her term of office until such information becomes known to the public.

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

Board of Directors

The Company shall establish a Board of Directors, which shall consist of seven directors, including three independent directors (at least one of whom must be an accounting professional) and one employee representative director. The Board of Directors shall have one chairperson.

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

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

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

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

(iv) to formulate the Company's profit distribution plans and plans for making up losses;

(v) to formulate plans for increasing or decreasing the Company's registered capital, and for the issuance of corporate bonds or other securities and their listing;

(vi) to draw up plans for major acquisitions, the repurchase of the Company's shares, or the merger, division, dissolution, and change of corporate form of the Company;

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

(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 and other senior management members, as well as their remuneration, rewards and penalties; upon the nomination of the general manager, to decide on the appointment or dismissal of the Company's senior management members such as deputy general managers and the chief financial officer, as well as their remuneration, rewards and penalties;

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

(xi) to formulate the plan for any amendment to the Articles of Association;

(xii) to make proposal for employment or replacement of the accounting firm which provides audit services to the Company at the shareholders' meeting;

(xiii) to receive the work reports from the general manager of the Company and examine the general manager's work;

(xiv) to resolve on the Company's acquisition of its own shares under the circumstances specified in item (III) of Article 21 of the Articles of Association;

(xv) to exercise other functions and powers specified in laws, administrative regulations, departmental rules or the Articles of Association and granted by the shareholders' meeting.

The Board of Directors shall have one chairperson, who shall be elected by a simple majority of all the members of the Board. If the chairperson is unable or fails to perform his/her duties, a director shall be elected jointly by more than half of the directors to perform such duties.

Board meetings shall be held at least four times every year, and shall be convened by the chairperson of the Board, with the notice of meeting sent to all the directors in writing 14 days prior to the meeting.

Extraordinary Board meetings may be convened upon proposal by shareholders representing one tenth or more of the total voting rights, one third or more of the directors, or the Audit Committee. The chairperson of the Board shall convene and preside over the Board meeting within 10 days after receipt of the proposal.

The notice for convening an extraordinary Board meeting shall be given in writing as a general rule. In cases of urgency, oral notification, such as by telephone, may be used. The notice period shall be three days prior to the convening of the extraordinary Board meeting. With the consent of all the directors of the Company, the notice period requirement stipulated in the preceding paragraph may be waived.

A Board meeting shall be held only if more than half of the directors are present. Any Board resolution shall be subject to the approval of a simple majority of all the directors. Where the Articles of Association, relevant laws and regulations or regulatory documents provide otherwise, such provisions shall prevail. Each director shall have one vote on any resolution put to vote by the Board of Directors.

Where a director has a related party relationship with an enterprise or individual involved in a matter to be considered at a Board meeting, the said director shall report such relationship to the Board of Directors in writing in a timely manner. Directors with a related party relationship shall not exercise their voting rights on that resolution nor act as a proxy for other directors to exercise voting rights. The Board meeting may be held when more than half of the unrelated directors are present. The resolution made at the Board meeting shall be passed by more than half of the unrelated directors. If the number of the unrelated directors present at the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

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

Independent Directors

Independent directors shall act in accordance with laws, administrative regulations and other relevant provisions.

Special Committees of the Board of Directors

The Board of Directors shall establish special committees under it, such as Audit Committee, Strategy Committee, Nomination Committee and Remuneration and Evaluation Committee. The special committees shall be accountable to the Board of Directors and fulfill duties as specified in the Articles of Association and as authorized by the Board of Directors, and proposals of the committees shall be submitted to the Board of Directors for examination and decision. Members of special committees are comprised entirely of directors. In the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee, independent directors shall be the majority and shall act as conveners, and the convener of the Audit Committee shall be an accounting professional. The Board of Directors is responsible for formulating the working rules of special committees to regulate their operations.

Senior Management Members

The Company shall have one general manager and several deputy general managers, who shall be appointed or dismissed by the Board of Directors. The general manager, deputy general managers, chief financial officer and secretary to the Board are considered senior management members of the Company.

The circumstances set out in Article 89 of the Articles of Association disqualifying a person as director shall also apply to senior management members. The provisions of the Articles of Association regarding directors' duties of loyalty and diligence shall also apply to senior management members.

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

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

(i) to be in charge of the Company's production and operation management, organize the implementation of the resolutions of the Board of Directors, and report his/her work to the Board of Directors;

(ii) to organize the implementation of the annual business plans and investment plans of the Company;

(iii) to draft plans for the establishment of the internal management structure of the Company;

(iv) to draft the basic management system of the Company;

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

(vi) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager(s) and chief financial officer;

(vii) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal should be determined by the Board of Directors;

(viii) to exercise other functions and powers conferred in the Articles of Association or by the Board of Directors.

The general manager shall attend Board meetings.

The Company shall have a secretary to the Board who shall be responsible for the preparations for shareholders' meetings and Board meetings, keeping of documentation and management of data of the Company's shareholders.

The senior management members of the Company shall faithfully perform their duties to protect the best interests of the Company and all shareholders. Where senior management members of the Company, due to failure to faithfully perform their duties or breach of the duty of good faith, cause harm to the interests of the Company and its shareholders, they shall be liable for compensation according to law.

If the Company's controlling shareholders or actual controllers instruct senior management members to engage in activities that damage the interests of the Company or its shareholders, they shall bear joint and several liability with such senior management members.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [REDACTED] and regulations of the relevant authorities of the state.

The Company shall prepare its annual financial accounting report within four months from the end of each fiscal year and its interim financial accounting report within two months from the end of the first six months of each fiscal year. The aforesaid annual financial accounting reports shall be prepared and announced in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange, and the securities regulatory rules of the place where the Company's shares are [REDACTED].

The Company shall not establish any accounting books other than the statutory accounting books. The assets of the Company shall not be deposited in an account opened in the name of any individual.

Profit Distribution

When distributing after-tax profits for the current year, the Company shall allocate 10% of such profits to the Company's statutory reserve fund. Where the accumulated amount of the statutory reserve fund reaches 50% or more of the Company's registered capital, no further allocation shall be required.

Where the statutory reserve fund is insufficient to cover losses incurred in previous years, the Company shall first use the current year's profits to make up such losses before allocating to the statutory reserve fund in accordance with the preceding paragraph. After allocating to the statutory reserve fund from after-tax profits, the Company may, upon resolution of the shareholders' meeting, allocate discretionary reserve funds from after-tax profits.

The remaining after-tax profits, after making up losses and allocating to reserve funds, shall be distributed in proportion to the shares held by shareholders, unless otherwise provided in the Articles of Association.

Where the shareholders' meeting distributes profits to shareholders in violation of the preceding paragraph before the Company has made up losses and allocated to the statutory reserve fund, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the directors and senior management members responsible shall be liable for compensation.

Shares of the Company held by the Company shall not participate in profit distribution.

The Company's reserve funds shall be used to make up losses, expand production and operations, or be converted into registered capital. In making up losses, discretionary reserve funds and statutory reserve funds shall be used first; where such funds remain insufficient, capital reserve may be used in accordance with the relevant provisions. When the statutory reserve fund is converted into capital, the balance of such reserve fund retained shall not be less than 25% of the Company's registered capital prior to the conversion.

After the shareholders' meeting has resolved on a profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within two months after the convening of the shareholders' meeting.

Internal Audit

The Company implements an internal audit system and is equipped with full-time audit personnel to conduct internal audit supervision over the Company's financial revenues and expenditures and economic activities. The internal audit system and the duties of audit personnel shall be implemented upon approval by the Board of Directors. The head of internal audit shall be accountable to and report to the Board of Directors.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law and the securities regulatory rules of the place where the Company's shares are [REDACTED] to conduct audits of financial statements, verification of net assets and other relevant consultancy services. The term of engagement shall be one year and may be renewed.

The accounting firm engaged by the Company must be appointed by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm prior to a decision by the shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials, and shall not refuse to provide, conceal or make false statements.

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

Where the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm ten days in advance. When the shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be permitted to present its views. Where the accounting firm resigns, it shall explain to the shareholders' meeting whether there are any improper circumstances on the part of the Company.

NOTICES AND ANNOUNCEMENTS

Notices

Notice of a shareholders' meeting shall be delivered to shareholders whose names (or entity names) and addresses are recorded in the register of shareholders by personal delivery or express mail, or by facsimile, email or other means.

Announcements

The Company may publish announcements and other information required to be disclosed in newspapers issued at or above the provincial level or on the National Enterprise Credit Information Publicity System.

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

Merger, Division, Capital Increase and Capital Reduction

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

Where the Company merges with a company in which it holds more than 90% of the equity interests, the merged company is not required to obtain a resolution of the shareholders' meeting; however, other shareholders shall be notified and shall have the right to request the Company to acquire their equity interests or shares at a reasonable price.

Where the consideration paid for a merger does not exceed 10% of the Company's net assets, a resolution of the shareholders' meeting is not required.

Where a merger is conducted without a resolution of the shareholders' meeting pursuant to the preceding two paragraphs, it shall be approved by a resolution of the Board of Directors.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify creditors within ten days from the date of the merger resolution and shall make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. Creditors may, within thirty days from receipt of the notice or, if no notice is received, within forty-five days from the date of announcement, request the Company to repay debts or provide corresponding guarantees.

Upon merger, the claims and debts of the parties to the merger shall be succeeded by the surviving company or the newly established company.

In the event of division, the Company's assets shall be divided accordingly.

In the event of division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify creditors within ten days from the date of the division resolution and shall make an announcement in a newspaper within thirty days.

Debts incurred prior to division shall be jointly and severally assumed by the companies after division, unless otherwise agreed in writing between the Company and creditors prior to the division regarding debt settlement.

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

The Company shall notify creditors within ten days from the date on which the shareholders' meeting adopts a resolution to reduce registered capital and shall make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. Creditors may, within thirty days from receipt of the notice or, if no notice is received, within forty-five days from the date of announcement, request the Company to repay debts or provide corresponding guarantees.

Upon reduction of registered capital, the Company shall reduce capital contributions or shares in proportion to shareholders' capital contributions or shareholdings, unless otherwise provided by law, the Articles of Association, or a resolution of the shareholders' meeting to reduce capital contributions or shares in another proportion.

Where a merger or division results in changes to registered items, the Company shall apply to the company registration authority for registration of changes in accordance with the law; where the Company is dissolved, it shall apply for deregistration in accordance with the law; where a new company is established, registration for establishment shall be handled in accordance with the law. Where the Company increases or reduces its registered capital, it shall apply for registration of changes in accordance with the law.

Dissolution and Liquidation

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

(i) the occurrence of any cause for dissolution as stipulated in the Articles of Association;

(ii) a resolution of the shareholders' meeting to dissolve the Company;

(iii) dissolution required due to merger or division;

(iv) revocation of its business licence in accordance with the law, an order to close down, or revocation;

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

Where any of the circumstances for dissolution set out in the preceding paragraph occurs, the Company shall, within ten days, publicise the cause of dissolution on the National Enterprise Credit Information Publicity System.

Where the Company falls under items (I) and (II) of Article 164 of the Articles of Association and has not yet distributed its property to shareholders, it may continue to exist by amending the Articles of Association or by resolution of the shareholders' meeting.

An amendment to the Articles of Association or a resolution of the shareholders' meeting in accordance with the preceding paragraph shall be adopted by shareholders representing more than two-thirds of the voting rights of those attending the shareholders' meeting.

Where the Company is dissolved pursuant to items (I), (II), (IV) or (V) of Article 164 of the Articles of Association, liquidation shall be conducted. Directors shall act as the liquidation obligors and shall form a liquidation committee within fifteen days from the date on which the cause for dissolution arises to carry out liquidation. The liquidation committee shall consist of directors or persons determined by the shareholders' meeting. Where no liquidation committee is formed within the prescribed period or the liquidation committee fails to conduct liquidation after its formation, interested parties may apply to the people's court to designate relevant persons to form a liquidation committee to conduct liquidation. Where liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

The liquidation committee shall notify creditors within ten days from the date of its establishment and shall make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within sixty days. Creditors shall declare their claims to the liquidation committee within thirty days from receipt of the notice or, if no notice is received, within forty-five days from the date of announcement.

In declaring claims, creditors shall specify the relevant particulars and provide supporting materials. The liquidation committee shall register the claims.

During the period for declaration of claims, the liquidation committee shall not repay any creditors.

After clearing the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

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

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for deregistration and announce the Company's termination.

Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the relevant enterprise bankruptcy laws.

Amendment of the Articles of Association

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

(i) where, following amendments to the Company Law or relevant laws and administrative regulations, any provision of the Articles of Association conflicts with the amended laws or administrative regulations;

(ii) where the Company's circumstances change and are inconsistent with matters recorded in the Articles of Association;

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

Where amendments to the Articles of Association adopted by resolution of the shareholders' meeting require approval by the competent authority, such approval shall be obtained; where such amendments involve registered items of the Company, registration of changes shall be handled in accordance with the law.

The Board of Directors 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.

Borrowing Power

The Articles of Association do not contain any specific provision regarding any general power of the Directors to borrow money or the manner in which such power may be exercised or varied. The Articles of Association provide that the Board of Directors may formulate proposals for the Company to issue bonds or other securities and listing plans, while the issuance of corporate bonds shall be resolved by the shareholders at a general meeting or by the Board of Directors as authorised by the shareholders. Any amendment to the Articles of Association, including any amendment to provisions on borrowing powers, shall be approved by shareholders by special resolution at a general meeting.