This Appendix contains a summary of the main provisions of the Company's Articles of Association, which will take effect from the date when the H shares are [REDACTED] on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

## I. ISSUANCE OF SHARES

The shares of the Company shall take the form of share certificates. All shares issued by the Company are ordinary shares and shall be registered shares, including domestic unlisted shares and overseas listed shares (i.e., H shares). A share certificate is a certificate issued by the Company to certify the shares held by a shareholder.

The issuance of the Company's shares shall adhere to the principles of openness, fairness, and impartiality, and each share of the same class shall have the same rights. For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any organization or individual, the price payable for each of such shares shall be the same.

The shares issued by the Company shall have a par value denominated in Renminbi, with a par value of RMB1 per share.

The Company shall not provide any gift, loan, guarantee, or other financial assistance for others to acquire shares of the Company, unless the Company implements an employee stock ownership plan. The Company may, in the interest of the Company, provide financial assistance for others to acquire shares of the Company by a resolution of the shareholders' meeting or a resolution of the Board of Directors adopted in accordance with these Articles of Association or as authorized by the shareholders' meeting, but the cumulative total of financial assistance shall not exceed 10% of the total issued share capital. Any resolution of the Board of Directors shall be adopted by two-thirds or more of all directors.

## II. INCREASE/REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

### (I) Increase in Registered Capital

Based on its operational and development needs, and in accordance with relevant laws and administrative regulations, the Company may increase its registered capital in the following manners upon respective resolutions at general meetings:

(1) Public offering of shares;

(2) Non-public offering of shares;

(3) Distribution of bonus shares to existing shareholders;

(4) Capitalization of capital reserve;

(5) Any other means permitted by laws and administrative regulations, as well as securities regulatory rules and normative documents of the place where the Company's shares are listed.

### (II) Reduction in Registered Capital

The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the Company Law and other relevant regulations, as well as the procedures stipulated in these Articles.

**(III) Repurchase of Shares**

The Company shall not repurchase its own shares unless it does so under any of the following circumstances:

(1) Decrease the Company's registered capital;

(2) Merger with another company that holds shares in the Company;

(3) Use the shares for employee stock ownership plans or equity incentive plans;

(4) Where shareholders request the Company to repurchase their shares due to their objection to a resolution of the shareholders' meeting on the merger or division of the Company;

(5) Use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;

(6) Where it is necessary for the Company to maintain its value and protect shareholders' interests;

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

Where the Company repurchases its own shares due to the circumstances specified in Items (1) and (2) above, a resolution shall be made at the shareholders' meeting; where the Company repurchases its own shares due to the circumstances specified in Items (3), (5), and (6) above, a resolution shall be made at a Board meeting attended by more than two-thirds of the directors.

After the Company repurchases its own shares in accordance with the above provisions, shares purchased under Item (1) shall be canceled within ten days from the date of acquisition; for the circumstances specified in Items (2) and (4), such shares shall be transferred or canceled within six months; for the circumstances described under Items (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the Company's total issued shares, and such shares shall be transferred or canceled within three years.

**III. Transfer of Shares**

The Company's shares may be transferred in accordance with the law. The Company shall not accept any pledge created upon its shares.

Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. Shares issued prior to the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on a stock exchange.

Directors and other senior management of the Company shall report to the Company their shareholdings in the Company and any changes thereto. During their term of office, the number of shares transferred by each of them each year shall not exceed 25% of the total number of shares of the Company held by him/her. The shares of the Company held by them shall not be transferred within one year from the date the Company's shares are listed and traded on a stock exchange. The aforementioned individuals shall not transfer the shares of the Company held by them within six months after their resignation.

## IV. SHAREHOLDERS AND THEIR RIGHTS AND OBLIGATIONS

### (I) Register of Shareholders

The Company shall establish a register of shareholders in accordance with the Company Law, other relevant regulations, and the provisions of these Articles of Association. The register of shareholders serves as sufficient evidence to prove that a shareholder holds shares of the Company. The original register of shareholders of H shares listed in Hong Kong shall be kept in Hong Kong and made available for inspection by shareholders. However, the Company may suspend shareholder registration procedures in accordance with applicable laws and regulations, as well as the securities regulatory rules of the place where the Company's shares are listed. When the Company intends to convene a shareholders' meeting, distribute dividends, carry out liquidation, or engage in other activities requiring determination of shareholdings, the Board of Directors or the convener of the shareholders' meeting shall decide on the record date. Shareholders whose names appear in the register of shareholders at the end of the record date are considered shareholders of the Company who are entitled to relevant rights and interests.

### (II) Rights of Shareholders

Shareholders of the Company shall enjoy the following rights:

(1) To receive dividends and other forms of profit distribution in proportion to the shares they hold;

(2) To propose, convene, preside over, attend, or appoint a proxy to attend shareholders' meetings and to exercise the corresponding voting rights in accordance with laws;

(3) To supervise the Company's operations, and put forward proposals or raise inquiries;

(4) To transfer, donate, or pledge the shares held by them in accordance with laws, administrative regulations, and the provisions of these Articles of Association;

(5) To consult and copy these Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of Board meetings, and financial accounting reports;

(6) To participate in the distribution of the remaining assets of the Company in proportion to the shares they hold upon the termination or liquidation of the Company;

(7) To require the Company to repurchase their shares if they dissent from resolutions of the shareholders' meeting on the merger or division of the Company;

(8) Other rights stipulated by laws, administrative regulations, departmental rules, or these Articles of Association.

If directors or senior management, other than members of the Audit Committee, violate laws, administrative regulations, or these Articles of Association in the course of performing their duties, and cause losses to the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall have the right to request in writing the Audit Committee to initiate legal proceedings with the People's Court. Where the Company incurs losses as a result of the Audit Committee members' violation of any laws, administrative regulations, or these Articles of Association in the course of performing their duties for the Company, the aforementioned shareholders may request in writing the Board to initiate legal proceedings with the People's Court. In the event that the Audit Committee or the Board refuses to initiate legal proceedings after receiving the written request of shareholders stated in the preceding paragraph, or fails to initiate such legal proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interests, shareholders specified in the preceding paragraph shall have the right to directly initiate legal proceedings with the People's Court in their own names for the interest of the Company.

**(III) Obligations of Shareholders**

The Company's shareholders shall assume the following obligations:

(1) To comply with laws, administrative regulations, and these Articles of Association;

(2) To pay subscription monies in accordance with the number of shares subscribed and the method of subscription;

(3) Not to withdraw their capital contributions, unless otherwise provided by laws and administrative regulations;

(4) Not to abuse shareholders' right to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of the Company's creditors;

(5) To fulfill other obligations stipulated by laws, administrative regulations, and these Articles of Association.

If any shareholder holding 5% or more of the voting shares of the Company pledges the Company's shares held by it, the shareholder shall submit a written report to the Company on the date on which the said pledge is executed.

**(IV) Restrictions on the Rights of Controlling Shareholders**

The controlling shareholder, actual controller, directors, and senior management of the Company shall not use their related party relationships to harm the interests of the Company. Any of them who commits a violation that causes losses to the Company shall be liable for compensation.

The controlling shareholder and actual controller of the Company shall fulfill the obligation of good faith to the Company and other shareholders. The controlling shareholder shall exercise the rights of capital contributors strictly in accordance with the law, and shall not damage the legitimate rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantees, or other methods, nor shall it abuse its controlling status to harm the interests of the Company and other shareholders.

## V. SHAREHOLDERS' MEETING

**(I) General Provisions for Shareholders' Meetings**

The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

(1) To elect and replace directors who are not employee representatives, and decide on their remunerations;

(2) To consider and approve reports of the Board of Directors;

(3) To consider and approve the Company's profit distribution plans and loss recovery plans;

(4) To pass resolutions on increases or reductions of the Company's registered capital;

(5) To pass resolutions on the issuance of corporate bonds;

(6) To pass resolutions on the merger, division, dissolution, liquidation, or change of corporate form of the Company;

(7) To amend the Articles of Association;

(8) To pass resolutions on the appointment or removal of accounting firms responsible for the Company's audit;

(9) To deliberate and approve matters relating to the guarantees stipulated in Article 39 of these Articles of Association;

(10) To deliberate the purchase or disposal of any major assets within one year in an amount in excess of 30% of the Company's total assets as audited in the latest period;

(11) To deliberate the Company's equity incentive plans and employee stock ownership plans;

(12) To deliberate other matters which, according to laws, administrative regulations, departmental rules, or these Articles of Association, must be decided by the shareholders' meeting.

The functions and powers of the shareholders' meeting mentioned above shall not be authorized to the Board of Directors or other organizations or individuals.

Any of the following external guarantees to be provided by the Company must be deliberated and approved by the Board of Directors before being submitted to the shareholders' meeting for deliberation and approval: a single guarantee whose amount exceeds 10% of the Company's net assets as audited in the latest period; any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period; any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets as audited in the latest period; any guarantee to be provided after the total amount of guarantees provided by the Company to others within one year has exceeded 30% of the Company's total assets as audited in the latest period; any guarantee to be provided for any subject with a liability-asset ratio of more than 70%; any guarantee to be provided for shareholders, actual controllers, or their related parties; and other external guarantee matters as required by laws, administrative regulations, departmental rules, and these Articles of Association to be considered and approved by the shareholders' meeting.

Shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meeting shall be held once a year, within 6 months after the end of the previous fiscal year. The Company shall hold an extraordinary shareholders' meeting within two months from the occurrence of any of the following circumstances: (1) The number of directors falls below the number stipulated by the Company Law or is less than 2/3 of the number stipulated in these Articles of Association; (2) The Company's uncovered losses are in excess of 1/3 of the Company's total paid-in capital; (3) Shareholders individually or jointly holding 10% or more of the Company's shares request to hold an extraordinary general meeting; (4) The Board of Directors considers it necessary to hold such a meeting; (5) The Audit Committee proposes to convene such a meeting; (6) Other circumstances stipulated by laws, administrative regulations, departmental rules, or these Articles of Association.

**(II) Convening of the Shareholders' Meeting**

Shareholders' meetings shall be convened by the Board of Directors in accordance with the law. With the consent of more than half of all independent directors, independent directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting and shall submit such a proposal to the Board of Directors in writing. The Board of Directors shall provide written feedback on whether to convene the meeting or not within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice thereon within 5 days after the relevant resolution of the Board of Directors is made.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting and shall submit such a proposal to the Board of Directors in writing. The Board of Directors shall provide written feedback on whether to convene the meeting or not within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the meeting, it shall issue a notice thereon within 5 days after the relevant resolution of the Board of Directors is made (any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee). Should the Board of Directors disagree to convene the said meeting of shareholders, or fail to reply within ten days upon receiving the request, the Board of Directors shall be considered unable or failing to perform the obligation to convene shareholders' meetings, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or jointly holding 10% or more of the Company's shares have the right to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall provide written feedback within 10 days upon receiving the request. Should the Board of Directors disagree to convene the meeting or fail to provide feedback within 10 days, shareholders have the right to propose to the Audit Committee that the meeting be convened. The Audit Committee shall issue a notice thereon within 5 days after receipt of the request. If the Audit Committee fails to issue such a notice within the prescribed period, shareholders individually or jointly holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

**(III) Proposals and Notices for Shareholders' Meetings**

The content of a proposal for a shareholders' meeting shall fall within the scope of authority of the shareholders' meeting, include definite topics for discussion and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations, and these Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders individually or jointly holding 1% or more of the Company's shares have the right to submit proposals to the Company. Shareholders individually or jointly holding 1% or more of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal.

The convener shall notify each shareholder 21 days prior to the annual shareholders' meeting, and 15 days prior to an extraordinary shareholders' meeting. The notice for a shareholders' meeting shall include the following: (1) The time, venue, and duration of the meeting; (2) The matters and proposals to be discussed at the meeting; (3) A prominent written statement that all shareholders are entitled to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting; (4) The name and telephone number of the permanent contact person for meeting affairs; (5) Voting time and voting procedures by other means; (6) Other matters stipulated by laws, regulations, and normative documents.

**(IV) Convening of Shareholders' Meetings**

All the shareholders listed in the register of shareholders or their proxies are entitled to attend shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations, and these Articles of Association. Shareholders may either attend the shareholders' meeting in person or appoint a proxy to attend and vote at such meeting on their behalf. The proxy is not required to be a shareholder of the Company. If a shareholder is a recognized clearing house (or its proxy), the shareholder may authorize one or more persons as it sees fit to act as its proxy or representative at any shareholders' meeting. Such a proxy may attend the meeting and exercise the rights of the recognized clearing house (or its proxy) on its behalf in the same manner as the individual shareholder of the Company.

The shareholders' meetings shall be presided over by the Chairman of the Board. If the Chairman of the Board is unable or fails to perform his or her duties, the meetings shall be presided over by a director jointly recommended by more than half of the directors. A shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. A shareholders' meeting convened by shareholders themselves shall be presided over by a representative elected by the conveners.

When a shareholders' meeting is convened, all directors and the Board Secretary of the Company shall attend the meeting. The President and other senior management shall be present at the meeting. Directors and senior management shall make response to and give explanation of the inquiries and suggestions made by shareholders at the shareholders' meeting.

**(V) Voting and Resolutions at Shareholders' Meetings**

Resolutions of a shareholders' meeting shall be classified as ordinary resolutions and special resolutions. Ordinary resolutions of the shareholders' meeting shall be passed by more than half of the voting rights represented by shareholders (including proxies) present at the meeting. Special resolutions of the shareholders' meeting shall be passed by more than two-thirds of the voting rights represented by shareholders (including proxies) present at the meeting.

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

(1) Work reports of the Board of Directors;

(2) Profit distribution plans and loss recovery plans formulated by the Board of Directors;

(3) Appointment and dismissal of directors, their remuneration, and payment methods;

(4) Matters other than those which are required to be passed by special resolutions according to laws, administrative regulations, the Listing Rules of The Stock Exchange of Hong Kong Limited, other securities regulatory rules of the place where shares of the Company are listed, or these Articles of Association.

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

(1) Increase or reduction of the Company's registered capital;

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

(3) Amendments to the Articles of Association;

(4) Equity incentive plans;

(5) Any purchase or sale of major assets or the provision of guarantees within any one year in an amount in excess of 30% of the Company's total assets as audited in the latest period;

(6) Other matters that are required by laws, administrative regulations, the Listing Rules of The Stock Exchange of Hong Kong Limited, other securities regulatory rules of the place where shares of the Company are listed, or these Articles of Association, or that are determined by an ordinary resolution of the shareholders' meeting to have a significant impact on the Company and shall be decided by special resolutions.

Shareholders (including their proxies) shall exercise their voting rights based on the number of voting shares they represent, with each share entitling one vote (except where individual shareholders are required to abstain from voting on certain matters in accordance with the securities regulatory rules of the place where shares of the Company are listed). Shares held by the Company itself shall carry no voting rights, and such shares shall not be counted as part of the total number of voting shares represented at the shareholders' meeting.

Where the shareholders' meeting deliberates on any matter concerning related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be included in the total valid votes. The resolution of the shareholders' meeting shall fully disclose the voting results of non-related shareholders.

## VI. DIRECTORS AND THE BOARD OF DIRECTORS

### (I) Directors

The Company's directors shall be natural persons. Any person with one of the following situations shall not act as the Company's director: (1) A person without civil capacity or with limited capacity for civil conduct; (2) A person who has been given criminal sentence for corruption, bribery, encroachment of property, misappropriation of property or disruption of the socialist market economy, or has been deprived of political rights due to the commitment of any crime and five years have not elapsed since the date on which execution of the sentence was completed, or it has not been two years since the date on which the probation period expires, if a probation is announced; (3) A person who was a former director, factory director or general manager of a company or enterprise that had gone bankrupt and been liquidated and whereby such person was personally liable for the bankruptcy of such company or enterprise, and 3 years have not elapsed since the date of completion of the bankruptcy liquidation of the company or enterprise; (4) A person who was the legal representative of a company or enterprise that was revoked of a business license or ordered to close for violation of laws and whereby such person was personally liable, and 3 years have not elapsed since the date when the company or enterprise was revoked of its business license or ordered to close; (5) A person who has a relatively large amount of debt that has not been repaid at maturity and is listed as a dishonest judgment debtor by a people's court; (6) A person who is banned from the securities market by CSRC and the ban period has not expire; (7) A person who is publicly identified by a stock exchange as unsuitable to serve as director, and the relevant term has not yet expired; (8) Other contents regulated by laws, administrative regulations, or departmental rules.

Non-employee representative directors shall be elected or replaced by the shareholders' meeting and may be removed by the shareholders' meeting before the expiration of their term of office. However, such removal shall not affect any claim for damages that such directors may bring under any contract. The term of office for each Board of Directors shall be three years, and directors may be re-elected and re-appointed upon the expiration of their term. The Company shall have one employee representative director.

Directors shall abide by laws, administrative regulations, and these Articles of Association, and shall shoulder the duties of loyalty and due diligence to the Company.

**(II) Board of Directors**

The Company shall establish a Board of Directors, which shall be accountable to the shareholders' meeting. The Board of Directors shall consist of nine directors, including three independent directors.

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

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

(2) To implement resolutions of shareholders' meetings;

(3) To decide on the Company's business plans and investment proposals;

(4) To formulate the Company's annual financial budget and final accounts plans;

(5) To formulate the Company's profit distribution and loss recovery plans;

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

(7) To formulate plans for the Company's important acquisitions, repurchase of its own shares, or merger, division, dissolution, and changes in the form of the Company;

(8) To determine, to the extent authorized by these Articles of Association or the shareholders' meeting, on such matters as the Company's external investments, acquisition or sale of assets, asset pledge, external guarantees, entrusted wealth management, related party transactions, and external donations;

(9) To decide on the Company's internal management structure;

(10) To decide on the appointment or dismissal of the Company's president, Board secretary, and other senior management, and determine their remuneration, rewards, and penalties; based on the president's recommendations, to appoint or remove the Company's vice president, chief financial officer (CFO), and other senior management;

(11) To formulate the Company's fundamental management system;

(12) To propose to the shareholders' meeting the engagement or replacement of the accounting firm that does auditing for the Company;

(13) To exercise other powers and functions conferred by laws, administrative regulations, departmental rules, or these Articles of Association.

A Board resolution must be passed by more than half of all directors present at the meeting. Matters exceeding the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

The Company's Board of Directors shall set up specialized committees for audit, strategy, nomination, remuneration and assessment. The specialized committees are accountable to the Board of Directors and shall perform their duties in accordance with these Articles of Association and the authorization granted by the Board of Directors. Their proposals shall be submitted to the Board of Directors for deliberation and decision. All members of the specialized committees shall be directors, and the convener of the audit committee shall be an accounting professional. The Board of Directors is responsible for formulating the working procedures of the specialized committees and standardizing their operations.

The Board of Directors shall hold at least four meetings each year, and the meetings shall be convened by the Chairman. A written notice shall be given to all directors 14 days prior to such meetings, along with necessary materials, including relevant background information on the agenda items. To convene an interim meeting of the Board of Directors, a written notice of the meeting shall be sent five days prior to the meeting. In case of any emergency, meeting notices may be given orally at any time.

The chairman shall exercise the following functions and powers: to preside over shareholders' meetings and to convene and preside over Board meetings; to supervise and inspect the implementation of Board resolutions; to exercise the powers and functions of the legal representative; to sign important documents of the Board of Directors and other documents required to be signed by the Company's legal representative; and to exercise other powers and functions granted by the Board of Directors.

## VII. SENIOR MANAGEMENT

The Company shall have one president, several vice presidents, one chief financial officer (CFO), and one Board secretary, all of whom shall be appointed or dismissed by the Board of Directors. The Company's senior management shall refer to the president, vice presidents, chief financial officer (CFO), Board secretary, and other personnel appointed by the Board of Directors.

The president shall serve for a term of three years and may be reappointed by the Board of Directors. The president is accountable to the Board of Directors and shall attend Board meetings.

The circumstances under which a person may not serve as a director as set forth in these Articles of Association shall apply equally to senior management. The provisions in these Articles concerning the directors' duties of loyalty and due diligence shall also apply to senior management. Any person who holds positions other than director in the Company's controlling shareholder, actual controller, or other enterprises controlled by them shall not serve as the Company's senior management. Senior management shall receive their remuneration solely from the Company, and such remuneration shall not be paid by the controlling shareholder on behalf of the Company.

## VIII. FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

### (I) 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 listed, and relevant regulations of national authorities. The Company shall prepare its annual financial and accounting reports within 4 months after the end of each fiscal year, and its interim financial and accounting reports within two months after the end of the first 6 months of each fiscal year. The aforementioned financial and accounting reports shall be prepared and disclosed in accordance with relevant laws, administrative regulations, departmental rules, the Listing Rules of The Stock Exchange of Hong Kong Limited, and other securities regulatory rules of the place where the Company's shares are listed. The Company shall not keep financial accounts other than those required by law. The Company's assets shall not be deposited in accounts opened in the name of any individual.

### (II) Profit Distribution

When distributing after-tax profits for the current year, the Company shall allocate 10% of such profit to the Company's statutory reserve fund. Where the Company's accumulated amount of the statutory reserve fund exceeds 50% of its registered capital, no further allocation shall be required. Where the Company's statutory reserve fund is insufficient to cover losses of previous years, such losses shall first be made up with the current year's profits before any allocation to the statutory reserve fund is made in accordance with the preceding paragraph.

After making allocations to the statutory reserve fund from its after-tax profit, the Company may also allocate discretionary reserve funds from its after-tax profit, subject to a resolution of the shareholders' meeting. After the Company has covered its losses and made allocations to the reserve fund, the remainder of the after-tax profits shall be distributed to the shareholders in proportion to their share holdings. Shares of the Company held by the Company itself shall not participate in profit distribution.

The Company may distribute profits by means of cash or shares. After the shareholders' meeting has resolved on a profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months after the shareholders' meeting is held.

**(III) Engagement of Accounting Firm**

The Company shall engage an accounting firm that complies with the Securities Law to provide services such as financial statement audits, net asset verification, and other related consulting services. The term of engagement shall be 1 year and may be renewed. The engagement of an accounting firm by the Company shall be subject to the decision of the shareholders' meeting. Where the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 5 working days in advance. When the shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinions.

## IX. MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

**(I) Merger and Division**

The Company may adopt two forms for merger: merger by absorption and merger by consolidation. In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days from the date of adopting the merger resolution and shall make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received, require the Company to repay the debts or provide corresponding guarantees. Upon a merger, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.

When the Company is divided, its property shall be divided accordingly, and a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within ten days from the date of adopting the division resolution and shall make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Debts incurred before the division shall be assumed jointly and severally by the companies arising from the division, unless otherwise agreed upon in a written agreement between the Company and its creditors regarding the repayment of the debts prior to the division.

**(II) Dissolution and Liquidation**

The Company shall be dissolved for any of the following reasons: (1) The business term set forth herein expires or any other grounds for dissolution prescribed herein have arisen; (2) The shareholders' meeting has adopted a resolution to dissolve the Company; (3) Dissolution is required due to the merger or division of the Company; (4) The Company' business license is revoked, or the Company is ordered to be closed down or be revoked in accordance with laws; (5) Where serious difficulties have arisen in the operation of the Company, the continuation of the Company would certainly damage the shareholders' interests to a significant extent, and there are no other solutions, shareholders representing more than 10% of all voting rights may petition the people's court to dissolve the Company.

Where the Company is to be dissolved pursuant to Items (1), (2), (4), or (5) above in these Articles of Association, a liquidation process shall be carried out. The directors shall be the obligors for the Company's liquidation and shall form a liquidation group to carry out liquidation within 15 days from the date the dissolution event occurs. The liquidation group shall exercise the following functions and powers during the liquidation period: to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively; to notify the Company's creditors by way of notice or announcement; to handle and settle the outstanding business of the Company that relates to the liquidation; to repay taxes owed and the tax occurring in the process of liquidation in full; to liquidate the claims and debts; to dispose of the remaining assets after repaying the Company's debts; to participate in civil litigations on behalf of the Company.

The liquidation group shall notify the creditors within 10 days after the date of its establishment and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice is received, declare their claims to the liquidation group. After the Company's assets have been used to pay liquidation expenses, employee wages, social insurance premiums, and statutory compensation, to settle outstanding taxes, and to repay company debts, the remaining assets shall be distributed among shareholders in proportion to their shareholdings.

**X. Amendment to the Articles of Association**

The Company shall amend its Articles of Association under any of the following circumstances: (1) After the amendment of the Company Law or relevant laws and administrative regulations, the matters stipulated in these Articles of Association conflict with the provisions of the amended laws and administrative regulations; (2) The situation of the Company has changed, causing inconsistency with the matters recorded in these Articles of Association; (3) The shareholders' meeting decides to amend these Articles of Association.

Where an amendment to the Articles of Association adopted by a resolution of the shareholders' meeting requires approval from the competent authority, it shall be reported to the competent authority for approval. If the amendment involves the Company's registration items, the procedures for registration of change 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 and the approval opinions from the relevant competent authorities.