This Appendix contains a summary of the main provisions of the Articles of Association. The principal purpose of this Appendix is to provide a general overview of the Articles of Association for prospective investors, and it may not include all information that is important to prospective investors. As stated in the document appendix "Appendix VI — Documents Delivered to the Registrar of Companies and Available on Display," the full Chinese text of the Articles of Association is available for inspection.

SHARES AND REGISTERED CAPITAL

The company's shares shall take the form of stock certificates.

The issuance of the company's shares shall adhere to the principles of fairness, justice, and openness, and every share of the same class shall carry the same rights. For shares of the same class issued at the same time, the terms of issue and the price per share shall be the same; and subscribers shall pay the same consideration per share for the shares subscribed for.

INCREASE, DECREASE, AND REPURCHASE OF SHARES

Capital Increase

The company may, according to the needs of its operation and development, increase its registered capital by the following methods upon resolution of the Shareholders' General Meeting, in accordance with the provisions of laws and administrative regulations:

1. Issuing shares to unspecified targets;
2. Issuing shares to specific targets;
3. Issuing bonus shares to existing shareholders;
4. Capitalizing reserve funds to increase capital;
5. Other methods approved by regulatory authorities, such as laws, administrative regulations, the China Securities Regulatory Commission (CSRC), and the securities regulatory body of the place where the company's shares are **[REDACTED]**.

Decrease in Capital

The company may reduce its registered capital. The company shall follow the procedures stipulated by the *Company Law*, the *Hong Kong Stock Exchange Listing Rules*, other relevant regulations, and the Articles of Association when reducing its registered capital.

Repurchase of Shares

The company shall not acquire its own shares, except in any of the following circumstances:

1. Reducing the company's registered capital;
2. Merging with another company that holds the company's shares;
3. Using the shares for an employee stock ownership plan or equity incentive;
4. Where a shareholder dissents from a resolution passed by the Shareholders' General Meeting regarding a company merger or division and requests the company to acquire their shares;
5. Using the shares to convert corporate bonds issued by the company that are convertible into shares;
6. When necessary for the company to maintain its value and the interests of its shareholders.

TRANSFER OF SHARES

The company's shares may be transferred in accordance with the law.

The company does not accept its own shares as the subject matter of a pledge.

Shares issued by the company before its **[REDACTED]** shall not be transferred within one year from the date the company's shares are **[REDACTED]** and **[REDACTED]**. Where laws, administrative regulations, the *Hong Kong Stock Exchange Listing Rules*, or the China Securities Regulatory Commission (CSRC) provide otherwise for the transfer of the company's shares held by shareholders or actual controllers of a **[REDACTED]** company, those provisions shall prevail.

The company's directors and senior management shall declare to the company the shares they hold and any changes in such holdings. During their tenure of office, as determined upon assumption of office, the number of shares they transfer annually shall not exceed 25% of the total number of shares they hold in the company. The shares in the company held by these individuals shall not be transferred within one year from the date the company's shares are **[REDACTED]** and **[REDACTED]**. Furthermore, the aforementioned personnel shall not transfer the company's shares they hold within six months after leaving office.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

The company shall establish a register of shareholders based on the documentary evidence provided by the securities registration institution, and the register of shareholders shall be sufficient evidence of a shareholder's ownership of the company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

The company's shareholders shall enjoy the following rights:

1. To receive dividends and other forms of distribution of benefits in proportion to the shares they hold;

2. To request, convene, preside over, attend, or appoint a proxy to attend the Shareholders' General Meeting and exercise the corresponding voting rights in accordance with the law;

3. To supervise the company's operations, and to make suggestions or inquiries;

4. To transfer, gift, or pledge the shares they hold in accordance with the provisions of laws, administrative regulations, the *Hong Kong Stock Exchange Listing Rules*, and the Articles of Association;

5. To inspect and duplicate the Articles of Association, the register of shareholders, minutes of the Shareholders' General Meetings, resolutions of the Board of Directors' meetings, and publicly disclosed financial accounting reports. Shareholders who meet the specified requirements may inspect the company's accounting books and accounting vouchers;

6. To participate in the distribution of the company's remaining assets in proportion to the shares they hold when the company is terminated or liquidated;

7. For shareholders who dissent from a resolution passed by the Shareholders' General Meeting regarding a company merger or division, to request the company to acquire the shares they hold;

8. Other rights stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the company's shares are listed, or the Articles of Association.

If the content of a resolution adopted by the company's Shareholders' General Meeting or the Board of Directors violates laws or administrative regulations, the shareholders shall have the right to request the People's Court to declare it invalid.

If the convening procedure or voting method for the Shareholders' General Meeting or the Board of Directors' meeting violates laws, administrative regulations, or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall have the right to request the People's Court to revoke the resolution within 60 days from the date the resolution is made. However, this shall not apply if the convening procedure or voting method for the Shareholders' General Meeting or the Board of Directors' meeting has only minor flaws that did not have a material impact on the resolution.

A resolution of the Shareholders' General Meeting or the Board of Directors shall not be established (be deemed void) under any of the following circumstances:

1. The resolution was made without convening a Shareholders' General Meeting or a Board of Directors' meeting;

2. The Shareholders' General Meeting or the Board of Directors' meeting did not vote on the matter of the resolution;

3. The number of attendees or the number of voting rights held did not reach the number or the number of voting rights held as stipulated by the *Company Law* or the Articles of Association;

4. The number of people or the number of voting rights held that approved the resolution did not reach the number or the number of voting rights held as stipulated by the *Company Law* or the Articles of Association.

The company's shareholders shall bear the following obligations:

1. To abide by laws, administrative regulations, and the Articles of Association;

2. To pay for the shares according to the shares subscribed for and the method of capital contribution;

3. Not to withdraw their capital contributions, except in circumstances stipulated by laws and regulations;

4. Not to abuse shareholder rights to prejudice the interests of the company or other shareholders; not to abuse the company's independent corporate personality and the shareholders' limited liability to prejudice the interests of the company's creditors;

5. Other obligations that shall be borne as stipulated by laws, administrative regulations, and the Articles of Association.

If a company shareholder abuses shareholder rights and causes losses to the company or other shareholders, they shall be liable for compensation in accordance with the law; if a company shareholder abuses the company's independent corporate personality and the shareholders' limited liability to evade debts and seriously prejudice the interests of the company's creditors, they shall bear joint and several liability for the company's debts.

A shareholder holding 5% or more of the company's shares with voting rights shall, if they pledge the shares they hold, submit a written report to the company on the day the fact occurs.

The company's controlling shareholders and actual controllers shall comply with the following provisions:

1. Exercise shareholder rights in accordance with the law, and not abuse their control or utilize connected relationships to prejudice the legal rights and interests of the company or other shareholders;

2. Strictly perform public statements and all commitments made, and shall not unilaterally change or exempt themselves from them;

3. Strictly fulfill their information disclosure obligations in accordance with relevant regulations, actively cooperate in the information disclosure work, and promptly inform the company of significant events that have occurred or are planned to occur;

4. Not occupy company funds in any manner;

5. Not force, instruct, or require the company and relevant personnel to provide guarantees in violation of laws or regulations;

6. Not seek benefits by utilizing the company's non-public material information, not disclose non-public material information related to the company in any manner, and not engage in illegal or non-compliant activities such as insider trading, short-swing trading, or market manipulation;

7. Not prejudice the legal rights and interests of the company and other shareholders through any means, including non-fair related party transactions, profit distribution, asset restructuring, and external investment;

8. Ensure the integrity of the company's assets, independence of personnel, independence of finance, independence of organization, and independence of business, and shall not affect the company's independence in any way;

9. Other provisions of laws, administrative regulations, the China Securities Regulatory Commission (CSRC), the stock exchange where the company's shares are listed, and the Articles of Association.

General Provisions for Shareholders' General Meeting

The Shareholders' General Meeting is the company's organ of power and exercises the following functions and powers in accordance with the law:

1. To elect and replace directors, and to decide on matters concerning the remuneration of the company's directors;

2. To review and approve the report of the company's Board of Directors;

3. To review and approve the company's profit distribution plan and loss recovery plan;

4. To make resolutions on increasing or reducing the company's registered capital;

5. To make resolutions on the company's issuance of securities or corporate bonds and listing proposals;

6. To make resolutions on the merger, division, dissolution, liquidation, or change of the company's corporate form;

7. To amend the Articles of Association;

8. To make resolutions on the appointment or dismissal of the accounting firm undertaking the company's auditing business;

9. To review and approve guarantee matters stipulated in Article 47 of the Articles of Association;

10. To review matters where the company's purchase or sale of major assets within one year exceeds 30% of the company's latest audited total assets;

11. To review and approve matters regarding the change of use of raised funds;

12. To review equity incentive plans and employee stock ownership plans;

13. To review other matters that should be decided by the Shareholders' General Meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's shares are listed, or the Articles of Association.

Company's Guarantees and Approvals

The company's external guarantee activities must be reviewed and approved by the Shareholders' General Meeting under the following circumstances:

1. Any guarantee provided after the aggregate amount of external guarantees provided by the company and its controlling subsidiaries exceeds 50% of the latest audited net assets.

2. Any guarantee provided after the company's aggregate amount of external guarantees exceeds 30% of the latest audited total assets.

3. A guarantee where the amount exceeds 30% of the company's latest audited total assets within one year.

4. A guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%.

5. A single guarantee amount that exceeds 10% of the latest audited net assets.

6. Guarantees provided to shareholders, actual controllers, and their connected parties.

7. Other guarantee circumstances required to be reviewed by the Shareholders' General Meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's shares are listed, or other normative documents.

Other external guarantee matters that do not meet the above standards shall be approved by the Board of Directors.

Guarantees provided by the company to its shareholders or actual controllers must be approved by the Shareholders' General Meeting.

For guarantee matters within the authority of the Board of Directors, in addition to being approved by a majority of all directors, the approval of two-thirds or more of the directors attending the Board of Directors' meeting is also required.

When the Shareholders' General Meeting reviews a proposal for providing a guarantee to a shareholder or an actual controller, the shareholder concerned, or any shareholder controlled by that actual controller, shall not participate in the vote. The resolution shall be passed by a majority of the voting rights held by the other shareholders attending the Shareholders' General Meeting. If all shareholders are connected shareholders, the recusal procedure shall not be required, and all shareholders shall participate in the voting together.

Shareholders' General Meetings are divided into Annual General Meetings and Extraordinary General Meetings. The Annual General Meeting shall be convened once every year and shall be held within six months from the end of the last financial year.

The company shall convene an Extraordinary General Meeting within two months of the occurrence of any of the following circumstances:

1. When the number of directors is less than two-thirds of the number stipulated by the *Company Law* or the number specified in the Articles of Association;

2. When the company's unrecovered losses reach one-third of the total share capital;

3. Upon request by a shareholder or shareholders jointly holding 10% or more of the company's shares;

4. When the Board of Directors deems it necessary;

5. When the Audit Committee proposes to convene it;

6. Other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's shares are listed, or the Articles of Association.

If the Extraordinary General Meeting is convened in response to the requirements of the securities regulatory rules of the place where the company's shares are listed, the actual convening date of the Extraordinary General Meeting may be adjusted according to the approval progress of the stock exchange where the company's shares are listed.

The location for the company's Shareholders' General Meetings shall be: the company's domicile, the usual office location, or the location specified in the notice of the Shareholders' General Meeting.

The Shareholders' General Meeting shall be held in the form of a physical meeting at a designated venue. The company may also provide other means, such as online access, to facilitate shareholders' participation in the Shareholders' General Meeting. Shareholders who attend the Shareholders' General Meeting through the above-mentioned means shall be deemed to be present.

After the notice of the Shareholders' General Meeting is issued, the venue for the physical meeting shall not be changed without a justifiable reason. If a change is necessary, the convener shall issue a notice at least two working days before the date of the physical meeting and explain the reason.

Convening the Shareholders' General Meeting

The Board of Directors shall convene the Shareholders' General Meeting on time within the stipulated period.

With the consent of more than half of all independent non-executive directors, the independent non-executive directors shall have the right to propose to the Board of Directors that an Extraordinary General Meeting be convened.

In response to a proposal from the independent non-executive directors to convene an Extraordinary General Meeting, the Board of Directors shall provide written feedback, agreeing or disagreeing to convene the meeting, within 10 days of receiving the proposal, in accordance with the provisions of laws, administrative regulations, and the Articles of Association. If the Board of Directors agrees to convene the Extraordinary General Meeting, it shall issue a notice for convening the Shareholders' General Meeting within 5 days of making the Board resolution; if the Board of Directors disagrees, it shall state the reasons.

The Audit Committee shall have the right to propose to the Board of Directors that an Extraordinary General Meeting be convened, and shall submit the proposal to the Board of Directors in writing. The Board of Directors shall provide written feedback on whether to convene the Extraordinary General Meeting within 10 days of receiving the proposal, in accordance with the provisions of laws, administrative regulations, and the Articles of Association.

When the Board of Directors agrees to convene an Extraordinary General Meeting, it shall issue a notice for convening the Shareholders' General Meeting within 5 days of making the Board resolution. If the notice involves changes to the original proposal, the consent of the Audit Committee shall be obtained before the notice is issued.

If the Board of Directors disagrees to convene an Extraordinary General Meeting, or fails to provide feedback within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or unwilling to perform its duty to convene the Shareholders' General Meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders jointly holding 10% or more of the company's shares shall have the right to request the Board of Directors to convene an Extraordinary General Meeting, and shall submit the request to the Board of Directors in writing. The Board of Directors shall provide written feedback on whether to convene the Extraordinary General Meeting within 10 days of receiving the request, in accordance with the provisions of laws, administrative regulations, and the Articles of Association.

If the Board of Directors agrees to convene an Extraordinary General Meeting, it shall issue a notice for convening the Shareholders' General Meeting within 5 days of making the Board resolution. If the notice involves changes to the original request from the shareholders, the consent of the relevant shareholders shall be obtained before the notice is issued.

If the Board of Directors disagrees to convene an Extraordinary General Meeting, or fails to provide feedback within 10 days of receiving the request, a shareholder or shareholders jointly holding 10% or more of the company's shares shall have the right to propose to the Audit Committee that an Extraordinary General Meeting be convened, and shall submit the request to the Audit Committee in writing. The Audit Committee shall provide written feedback on whether to convene the Extraordinary General Meeting within 10 days of receiving the request, in accordance with the provisions of laws, administrative regulations, and the Articles of Association.

If the Audit Committee agrees to convene an Extraordinary General Meeting, it shall issue a notice for convening the Shareholders' General Meeting within 5 days of receiving the request. If the notice involves changes to the original proposal, the consent of the relevant shareholders shall be obtained.

If the Audit Committee disagrees to convene an Extraordinary General Meeting, or fails to provide feedback within 10 days of receiving the request, the Audit Committee shall be deemed not to convene and preside over the Shareholders' General Meeting, and a shareholder or shareholders 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.

Shareholders' General Meeting Convened by the Audit Committee or Shareholders

When the Audit Committee or a shareholder decides to convene a Shareholders' General Meeting on its own, it shall notify the Board of Directors in writing. If the securities regulatory rules of the place where the company's shares are listed provide otherwise, those provisions shall prevail, provided they do not violate domestic laws, administrative regulations, and the Articles of Association.

The convening shareholder or shareholders, individually or jointly, shall hold no less than 10% of the company's shares before the resolution of the Shareholders' General Meeting is announced.

The Audit Committee or the convening shareholders shall comply with the provisions of the securities regulatory rules of the place where the company's shares are listed when issuing the notice for the Shareholders' General Meeting and the announcement of the resolution, provided they do not violate domestic laws, administrative regulations, and the Articles of Association.

The Board of Directors and the Board Secretary shall cooperate with the Shareholders' General Meeting convened by the Audit Committee or the shareholders on their own. The Board of Directors shall provide the register of shareholders as of the share registration date.

The necessary expenses for the Shareholders' General Meeting convened by the Audit Committee or the shareholders shall be borne by the company.

PROPOSAL AND NOTICE OF SHAREHOLDERS' GENERAL MEETING

The content of a proposal shall fall within the scope of the Shareholders' General Meeting's functions and powers, have clear topics and specific resolution items, and comply with the relevant provisions of laws, administrative regulations, and the Articles of Association.

When the company convenes a Shareholders' General Meeting, the Board of Directors, the Audit Committee, and shareholders individually or jointly holding 1% or more of the company's shares shall have the right to submit proposals to the company.

Shareholders individually or jointly holding 1% or more of the company's shares may submit an extraordinary proposal and submit it in writing to the convener 10 days before the Shareholders' General Meeting is convened. The extraordinary proposal shall have clear topics and specific resolution items. The convener shall issue a supplementary notice for the Shareholders' General Meeting within 2 days of receiving the proposal, announce the content of the extraordinary proposal, and submit the extraordinary proposal to the Shareholders' General Meeting for review. However, this shall not apply if the extraordinary proposal violates laws, administrative regulations, or the Articles of Association, or does not fall within the scope of the Shareholders' General Meeting's functions and powers. The shareholder or shareholders submitting an extraordinary proposal, individually or jointly, shall hold no less than 1% of the company's shares before the resolution of the Shareholders' General Meeting is made.

Regarding the publication of the supplementary notice for the Shareholders' General Meeting, if the securities regulatory rules of the place where the company's shares are listed have special provisions, those provisions shall prevail, provided that they do not violate the *Company Law* or the *Securities Law*. If the Shareholders' General Meeting must be postponed due to the publication of the supplementary notice in accordance with the securities regulatory rules of the place where the company's shares are listed, the holding of the Shareholders' General Meeting shall be postponed according to the regulations of the stock exchange where the company's shares are listed.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' General Meeting or add new proposals after the notice is issued.

The Shareholders' General Meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the Shareholders' General Meeting or that do not comply with the Articles of Association. When convening an Annual General Meeting, the convener shall notify all shareholders of the time, place, and matters to be reviewed at the meeting 20 days prior to the meeting. For an Extraordinary General Meeting, all shareholders shall be notified 15 days prior to the meeting. Where laws, administrative regulations, and the securities regulatory authority of the place where the company's shares are listed provide otherwise, those provisions shall prevail.

After the notice for the Shareholders' General Meeting is issued, the meeting should not be postponed or canceled, nor should the proposals listed in the notice be canceled, without a justifiable reason. If the meeting is postponed or canceled, the convener shall notify all shareholders at least two working days before the originally scheduled date and explain the reason. If the securities regulatory rules of the place where the company's shares are listed have special provisions regarding the procedures for postponing or canceling the Shareholders' General Meeting, those provisions shall prevail, provided they do not violate the *Company Law* or the *Securities Law*.

SHAREHOLDERS' GENERAL MEETING – PROXY

All shareholders registered in the register of shareholders on the share registration date, or their proxies, shall have the right to attend the Shareholders' General Meeting and exercise voting rights in accordance with relevant laws, regulations, and the Articles of Association.

A shareholder may attend the Shareholders' General Meeting in person or appoint a proxy to attend and vote on their behalf.

- For individual shareholders:
    - If attending in person, they shall present their personal ID card or other valid certificates or proofs capable of identifying them.
    - If appointing a proxy to attend, the proxy shall present their valid ID document and a letter of authorization from the shareholder.

- For corporate shareholders:
  - The meeting shall be attended by the legal representative, the executive partner, or a representative appointed by them (hereinafter collectively referred to as "**Executive Partner**"), or a proxy appointed by the legal representative or the Executive Partner.
  - If the legal representative (excluding a recognized clearing house or its nominee) or the Executive Partner attends in person, they shall present their personal ID card and a valid proof of their qualification as a legal representative.
  - If a proxy (excluding a recognized clearing house or its nominee) attends, the proxy shall present their personal ID card and a written power of attorney legally issued by the legal representative of the corporate shareholder unit (except where the shareholder is a recognized clearing house or its nominee, as defined by the relevant ordinances from time to time in force in Hong Kong law or the securities regulatory rules of the place where the company's shares are listed, hereinafter referred to as "**Recognized Clearing House**").

The power of attorney issued by a shareholder to entrust another person to attend the Shareholders' General Meeting shall specify the following content:

1. The name of the principal (or company name, if applicable) and the number of shares held in the company;
2. The name of the proxy (or company name, if applicable);
3. Instructions on whether to cast a vote of approval, opposition, or abstention for each matter listed on the agenda of the Shareholders' General Meeting;
4. The date of issuance and validity period of the power of attorney;
5. The signature (or seal) of the principal. If the principal is an institutional shareholder, the seal of the institutional unit shall be affixed.

If the power of attorney for proxy voting is signed by another person authorized by the principal, the power of attorney or other authorization documents for authorized signing shall be notarized. The notarized power of attorney or other authorization documents, together with the power of attorney for proxy voting, must be kept at the company's domicile or other location specified in the notice for convening the meeting. If the principal is a legal person, the company's Shareholders' General Meeting shall be attended by its legal representative or a representative authorized by a resolution of the Board of Directors or other decision-making body.

VOTING AND RESOLUTIONS OF THE SHAREHOLDERS' GENERAL MEETING

Resolutions of the Shareholders' General Meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders' General Meeting shall be passed by a majority of the voting rights held by the shareholders (including proxies) attending the meeting.

A special resolution of the Shareholders' General Meeting shall be passed by two-thirds or more of the voting rights held by the shareholders (including proxies) attending the meeting.

The following matters shall be passed by the Shareholders' General Meeting by way of an ordinary resolution:

1. The work report of the Board of Directors;
2. The profit distribution plan and loss recovery plan formulated by the Board of Directors;
3. The appointment, removal, remuneration, and payment methods of the members of the Board of Directors;
4. Other matters which are not required to be passed by a special resolution under the provisions of laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed, or the Articles of Association.

The following matters shall be passed by the Shareholders' General Meeting by way of a special resolution:

1. Increase or reduction of the company's registered capital;
2. Division, spin-off, merger, dissolution, or liquidation of the company;
3. Amendment of the Articles of Association;
4. The company's purchase or sale of major assets within one year or the amount of guarantees provided to others exceeding 30% of the company's latest audited total assets;
5. Equity incentive plans;
6. Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed, or the Articles of Association, as well as other matters determined by the Shareholders' General Meeting by ordinary resolution to have a significant impact on the company and require a special resolution for adoption.

Shareholders (including their proxies) shall exercise their voting rights in proportion to the number of voting shares they represent, with each share having one vote.

When the Shareholders' General Meeting reviews material matters that affect the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

Shares held by the company in itself shall have no voting rights, and that portion of shares shall not be counted into the total number of voting shares present at the Shareholders' General Meeting. In accordance with applicable laws, administrative regulations, and the *Hong Kong Stock Exchange Listing Rules*, if any shareholder is required to waive their right to vote on a certain resolution, or is restricted to only voting for (or against) a certain resolution, any votes cast by such shareholder or their proxy in violation of the relevant regulations or restrictions shall not be counted into the total number of voting shares.

If a shareholder purchases voting shares of the company in violation of the first and second paragraphs of Article 63 of the *Securities Law*, the shares exceeding the stipulated proportion shall not exercise voting rights within thirty-six months after the purchase and shall not be counted in the total number of voting shares present at the Shareholders' General Meeting.

The Board of Directors, the independent non-executive directors, and shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with the provisions of laws, administrative regulations, or the China Securities Regulatory Commission (CSRC), may solicit shareholder voting rights.

When the Shareholders' General Meeting reviews matters concerning connected transactions, the connected shareholder shall not participate in the voting, and the number of voting shares represented by that shareholder shall not be counted in the total number of effective votes; the announcement of the resolution of the Shareholders' General Meeting shall fully disclose the voting status of non-connected shareholders.

Before the Shareholders' General Meeting reviews matters concerning connected transactions, the company shall determine the scope of connected shareholders in accordance with the relevant laws and regulations of the place where the company's shares are listed. Connected shareholders or their authorized representatives may attend the Shareholders' General Meeting and explain their views to the attending shareholders in accordance with the meeting procedures, but they shall abstain from voting. When the Shareholders' General Meeting makes resolutions on connected transactions, the connected shareholder shall voluntarily abstain and shall not participate in the voting. If a connected shareholder fails to voluntarily abstain from voting, the other shareholders attending the meeting shall have the right to request the connected shareholder to abstain from voting.

After the connected shareholder abstains, the other shareholders shall vote based on the voting rights they hold, and the corresponding resolution shall be passed in accordance with the provisions of the Articles of Association. The procedure for the connected shareholder's abstention and voting shall be announced by the chairman of the Shareholders' General Meeting and recorded in the minutes of the meeting.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The company's directors shall be natural persons. A person shall not serve as a director of the company if they fall under any of the following circumstances:

1. Having served as a director, factory manager, or manager of a company or enterprise that has gone bankrupt and been liquidated, and who is personally responsible for the bankruptcy, where a period of three years has not elapsed since the date of completion of the bankruptcy liquidation of the said company or enterprise;

2. Having served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close down due to a violation of the law, and who is personally responsible for such revocation or closure, where a period of three years has not elapsed since the date of the revocation of the business license or the order for closure of the said company or enterprise;

3. Being listed by the People's Court as a dishonest judgment debtor for failing to repay a relatively large amount of personal debt when due;

4. Being subject to a securities market entry ban imposed by a securities regulatory authority, where the term of the ban has not yet expired;

5. Other circumstances stipulated by laws, administrative regulations, the securities regulatory rules of the place where the company's shares are listed, or departmental rules that disqualify a person from serving as a director of the company.

If a director is elected, appointed, or engaged in violation of this Article, the election, appointment, or engagement shall be invalid. If a director falls into the circumstances of this Article during their term of office, the company shall dismiss them from their post.

Directors shall be elected or replaced by the Shareholders' General Meeting, and may be removed from their post by the Shareholders' General Meeting before the expiration of their term of office. The term of office for a director is 3 years, and they may be re-elected for consecutive terms upon expiration of their term in accordance with the securities regulatory rules of the place where the company's shares are listed. The term of office for an independent non-executive director shall be the same as that of other directors of the company. Upon expiration of the term, they may be re-elected for consecutive terms, but their continuous service shall not exceed six years.

The term of office for a director shall be calculated from the date of assumption of office until the expiration of the term of the current session of the Board of Directors. If the term of office of a director expires and they are not re-elected in time, or if a director resigns during their term of office resulting in the number of Board members falling below the statutory minimum, the original director shall continue to perform the duties of a director in accordance with the provisions of laws, administrative regulations, departmental rules, and the Articles of Association until the re-elected director assumes office.

Directors may concurrently hold senior management positions, but the total number of directors concurrently holding senior management positions and directors who are employee representatives shall not exceed one-half of the total number of the company's directors. The company's Board of Directors may include employee representatives. The employee representatives on the Board of Directors shall be democratically elected by the company's employees through the Staff and Workers' Congress, the Staff and Workers' Assembly, or other forms, and shall directly join the Board of Directors.

Board of Directors

The company shall establish a Board of Directors. The Board of Directors shall be composed of 7 directors. The company shall have 1 Chairman, who shall be elected by a majority of all directors of the Board of Directors. The members of the Board of Directors shall be elected by the Shareholders' General Meeting in accordance with the law.

Directors are divided into executive directors, non-executive directors, and independent directors. The number of independent directors shall be no less than 3, and shall account for one-third or more of the total number of directors on the Board of Directors. At least one independent director must possess appropriate professional qualifications or appropriate expertise in accounting or related financial management, and at least one independent director must ordinarily reside in Hong Kong.

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

1. To convene the Shareholders' General Meeting and report on its work to the Shareholders' General Meeting;

2. To implement the resolutions of the Shareholders' General Meeting;

3. To decide on the company's business plan and investment proposals;

4. To formulate the company's profit distribution plan and loss recovery plan;

5. To formulate proposals for the company's increase or reduction of registered capital, issuance of bonds or other securities, and listing proposals;

6. To formulate proposals for the company's major acquisitions, acquisition of its own shares, or merger, division, dissolution, and change of corporate form, provided they comply with the securities regulatory rules of the place where the company's shares are listed;

7. To decide on matters such as the company's external investments, purchase or sale of assets (including but not limited to land, houses, equipment, production lines, equity), asset mortgage, external guarantees, entrusted financial management, connected transactions, and external donations, provided they comply with the securities regulatory rules of the place where the company's shares are listed and are within the scope of authorization granted by the Shareholders' General Meeting;

8. To decide on the establishment of the company's internal management bodies;

9. To decide on the appointment or dismissal of the company's manager, Board Secretary, and other senior management personnel, and to decide on their remuneration, awards, and penalties; and, based on the nomination of the manager, to decide on the appointment or dismissal of the company's deputy manager, financial controller, and other senior management personnel, and to decide on their remuneration, awards, and penalties;

10. To formulate the company's basic management systems;

11. To formulate proposals for amending the Articles of Association;

12. To manage the company's information disclosure matters;

13. To propose to the Shareholders' General Meeting the appointment or replacement of the accounting firm auditing the company;

14. To hear the work report of the company's manager and inspect the manager's work;

15. Other functions and powers stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's shares are listed, the Articles of Association, or granted by the Shareholders' General Meeting.

Matters that exceed the scope of authorization of the Shareholders' General Meeting shall be submitted to the Shareholders' General Meeting for review.

The company's Board of Directors shall provide an explanation to the Shareholders' General Meeting regarding any non-standard audit opinions issued by certified public accountants on the company's financial report.

The Board of Directors shall formulate Rules of Procedure for the Board of Directors' Meetings, stipulating the procedures for convening and voting in Board meetings, to ensure that the Board of Directors implements the resolutions of the Shareholders' General Meeting, improves work efficiency, and guarantees scientific decision-making. The Rules of Procedure for the Board of Directors' Meetings shall be an appendix to the Articles of Association, drafted by the Board of Directors, and approved by the Shareholders' General Meeting.

The Board of Directors shall define the authorization limits for external investments, acquisition or sale of assets, asset mortgages, external guarantees, entrusted financial management, connected transactions, and external donations, and shall establish strict review and decision-making procedures. Major investment projects shall be organized for review by relevant experts and professional personnel, and shall be reported to the Shareholders' General Meeting for approval.

CHAIRMAN

The Chairman shall exercise the following functions and powers:

1. To preside over the Shareholders' General Meeting, and to convene and preside over meetings of the Board of Directors;

2. To supervise and inspect the implementation of the resolutions of the Board of Directors;

3. To sign documents of the Board of Directors and other documents that should be signed by the company's legal representative, unless otherwise provided by the securities regulatory rules of the place where the company's shares are listed;

4. Other functions and powers granted by the Board of Directors.

Specialized Committees under the Board of Directors

The company's Board of Directors shall establish an Audit Committee to exercise the functions and powers of the Supervisory Committee stipulated in the *Company Law*. The Audit Committee shall consist of 3 members, all of whom must be non-executive directors. The committee must be composed of at least three members, with independent directors forming the majority. At least one member must be an independent director possessing the appropriate professional qualifications or appropriate expertise in accounting or related financial management as stipulated by the securities regulatory rules of the place where the company's shares are listed. The convener (i.e., the chairman) of the Audit Committee must be an independent director.

The company's Board of Directors shall establish other specialized committees, such as the Nomination Committee and the Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. The proposals of the specialized committees shall be submitted to the Board of Directors for review and decision.

The working procedures for the specialized committees shall be formulated by the Board of Directors. Independent directors must constitute the majority of the members of both the Remuneration Committee and the Nomination Committee. The convener (i.e., the chairman) of the Remuneration Committee must be an independent director. The convener (and chairman) of the Nomination Committee must be either the Chairman of the Board or an independent director.

SENIOR MANAGEMENT

The company shall have 1 manager, and several deputy managers and other senior management personnel, who shall be appointed or dismissed by the Board of Directors. Personnel who hold administrative positions other than director or supervisor in the company's controlling shareholder unit shall not serve as the company's senior management personnel. The company's senior management personnel shall only receive salary from the company and shall not be paid by the controlling shareholder on the company's behalf.

The manager shall serve a term of 3 years and may be re-appointed for consecutive terms upon engagement by the Board of Directors. The manager's term of office shall be calculated from the date the Board of Directors' resolution is adopted until the expiration of the term of the current session of the Board of Directors.

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

1. To be in charge of the company's production, operation, and management work, organize the implementation of the Board of Directors' resolutions, and report on work to the Board of Directors;

2. To organize the implementation of the company's annual business plan and investment proposals;

3. To propose plans for the establishment of the company's internal management bodies;

4. To propose the company's basic management systems;

5. To formulate the company's specific rules and regulations;

6. To propose to the Board of Directors the appointment or dismissal of the company's deputy manager and financial controller;

7. To decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal should be decided by the Board of Directors;

8. Other functions and powers granted by the Articles of Association or the Board of Directors.

Manager

The manager shall attend meetings of the Board of Directors as a non-voting member.

The manager may formulate detailed work rules for the manager as required by the company, which shall be implemented after being reported to and approved by the Board of Directors.

The manager may resign before the expiration of their term of office. The specific procedures and methods for the manager's resignation shall be stipulated in the labor contract between the manager and the company.

Deputy managers and other senior management personnel shall serve a term of 3 years and shall be nominated by the manager for appointment or dismissal by the Board of Directors. Deputy managers and other senior management personnel shall assist the manager in being responsible for a specific aspect of the company's operation and management work. The specific division of responsibilities shall be determined by the manager and reported to the Board of Directors for record.

The company shall have a Board Secretary, who is responsible for the preparation of the Shareholders' General Meetings and Board of Directors' meetings, document custody, management of the company's shareholder information, and handling information disclosure matters. The Board Secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

If senior management personnel cause damage to others while performing their company duties, the company shall bear the liability for compensation; if the senior management personnel have acted with intent or gross negligence, they shall also bear the liability for compensation. If senior management personnel violate the provisions of laws, administrative regulations, or the Articles of Association while performing their company duties and cause losses to the company, they shall be liable for compensation.

The company's senior management personnel shall faithfully perform their duties and safeguard the maximum interests of the company and all shareholders. If the company's senior management personnel cause damage to the company's interests due to failure to faithfully perform their duties or violation of their duty of integrity, they shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM

The company shall formulate its financial and accounting system in accordance with laws, administrative regulations, and the stipulations of relevant state departments. The company shall prepare a financial report promptly at the end of each fiscal year. The company's financial statements shall be prepared not only in accordance with China's accounting standards and regulations but also with the accounting standards stipulated by international organizations or the stock exchange where the company's shares are listed. If there are material differences between the financial statements prepared under the two accounting standards, they shall be noted in the footnotes to the financial statements.

The company shall not establish any accounting ledgers other than those required by law. The company's assets shall not be deposited in accounts opened under the name of any individual.

When the company distributes its after-tax profit for the current year, 10% of the profit shall be set aside as the company's statutory common reserve. If the cumulative amount of the company's statutory common reserve reaches 50% or more of the company's registered capital, no further provision may be required.

If the company's statutory common reserve is insufficient to cover the losses of the previous years, the current year's profit shall first be used to cover the losses before the statutory common reserve is appropriated in accordance with the preceding paragraph. After the company has set aside the statutory common reserve from the after-tax profit, it may, upon resolution of the Shareholders' General Meeting, set aside discretionary common reserves from the after-tax profit. The remaining after-tax profit of the company, after making up for losses and setting aside common reserves, shall be distributed in proportion to the shares held by the shareholders. If the Shareholders' General Meeting distributes profit to shareholders in violation of the *Company Law*, the shareholders shall return the distributed profit to the company; if losses are caused to the company, the shareholders and the responsible directors and senior management personnel shall be liable for compensation. Shares held by the company in itself shall not participate in profit distribution. The company's cash dividend policy objective is stable growth dividends. Subject to meeting the conditions for profit distribution, the company may distribute dividends in the form of cash, shares, or a combination of cash and shares, with cash dividends having priority over stock dividends. The company may choose not to distribute profits if the company's audit report for the most recent year contains a non-unqualified opinion or an unqualified opinion with a paragraph emphasizing a material uncertainty related to going concern.

After the company's Shareholders' General Meeting passes a resolution on the profit distribution plan, or after the company's Board of Directors formulates a specific plan based on the conditions and upper limit for interim dividends in the following year approved by the Annual General Meeting, the distribution of dividends (or shares) must be completed within two months.

The company's common reserves shall be used to cover the company's losses, expand the company's production and operation, or be converted into an increase in the company's capital. When the common reserves are used to cover the company's losses, the discretionary common reserve and statutory common reserve shall be used first; if the losses still cannot be covered, the capital common reserve may be used in accordance with the regulations.

When the statutory common reserve is converted into an increase in registered capital, the remaining portion of that common reserve shall not be less than 25% of the company's registered capital before the conversion.

INTERNAL AUDIT

The company shall implement an internal audit system, which clearly defines the leadership structure, responsibilities and authorities, staffing, funding guarantee, application of audit results, and accountability for internal audit work. The company's internal audit system shall be implemented after approval by the Board of Directors and shall be publicly disclosed.

APPOINTMENT OF ACCOUNTING FIRM

The company shall engage an independent accounting firm that complies with the *Securities Law* and other laws and regulations, as well as the regulatory provisions of the place where the company's shares are listed, to undertake business such as financial statement auditing, net asset verification, and other related consulting services, with a term of engagement of 1 year, which may be renewed.

The company's engagement or dismissal of an accounting firm shall be submitted to the Board of Directors for review after receiving the consent of more than half of all members of the Audit Committee, and shall be decided by the Shareholders' General Meeting. The appointment, removal, and remuneration (or the method for determining remuneration) of the accounting firm must be decided by the Shareholders' General Meeting by way of an ordinary resolution. The Board of Directors shall not appoint an accounting firm before the Shareholders' General Meeting makes a decision.

The company shall provide the engaged accounting firm with true and complete accounting vouchers, accounting ledgers, financial accounting reports, and other accounting information, and shall not refuse, conceal, or misrepresent them. The audit fees of the accounting firm shall be determined by the Shareholders' General Meeting.

When the company dismisses or chooses not to re-engage the accounting firm, it shall notify the accounting firm 7 days in advance. When the Shareholders' General Meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion.

If the accounting firm proposes to resign, it shall explain to the Shareholders' General Meeting whether there are any improper circumstances on the part of the company.