This Appendix sets out summaries of the main clauses of our Articles of Association passed on 22 May 2026 and came into effective on the same date. As the main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important for potential investors.

## A. General Provisions

The Company is a perpetually existing joint-stock company.

From the date on which it becomes effective, the Articles shall become a legally binding document that regulates the organisation and acts of the Company, as well as the rights and obligations of the Company and its shareholders, and amongst the shareholders themselves. The Articles shall be binding on the Company, the shareholders, directors and senior management. According to the Articles, shareholders may initiate legal proceedings against other shareholders, directors and senior management of the Company. The Company may initiate legal proceedings against the shareholders, directors and the senior management.

## B. Issuance of Shares

The shares of the Company shall take the form of stock. Assets of the Company are divided into equal shares. Shareholders of the Company shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with its entire assets.

The Company shall issue Shares in an open, equitable and fair manner, and each of the Shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Subscribers shall pay the same price for each of the Shares that it/he/she subscribes for.

The nominal value of par value shares issued by the Company is denominated in RMB.

Total number of shares of the Company is 100 million shares with a par value of RMB1 each, all being ordinary shares.

## C. Increase, Reduction and Repurchase of Shares

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a separate resolution of the shareholders' meeting, by any of the following methods:

(I) public offering of shares upon approval by relevant departments;

(II) non-public offering of shares;

(III) distributing bonus shares to existing shareholders;

(IV) capitalization of surplus reserve into share capital;

(V) by other means as prescribed by laws, administrative regulations and the CSRC.

The Company may reduce its registered capital. The reduction in the registered capital shall be made in accordance with the procedures set out in Company Law, other applicable regulations and the Articles.

The Company shall not acquire its own shares, unless in one of the following circumstances:

(I) reducing the Company's registered capital;

(II) merger with another company which holds the shares of the Company;

(III) use of the shares for employee stock ownership plan or equity incentive;

(IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company;

(V) conversion of shares into the convertible corporate bonds issued by the Company;

(VI) being necessary for the Company to maintain its value and the equity of shareholders.

Where the Company purchases its own shares under any of the circumstances as mentioned in items (I) or (II) of the preceding paragraph, a resolution of the shareholders' meeting shall be adopted. Where the Company purchases its own shares under any of the circumstances as mentioned in items (III), (V) or (VI) of the preceding paragraph, a resolution shall be adopted at the board meeting with the attendance of more than two thirds of the directors. After the Company purchases its own shares according to the preceding paragraph, the shares purchased shall be written off within ten days as of the purchase date under the circumstance as mentioned in item (I); the shares shall be transferred or written off within six months under the circumstance as mentioned in item (II) or (IV); and the shares held accumulatively by the Company shall not exceed 10% of the total shares issued and be transferred or written off within three years under any of the circumstances as mentioned in item (III), (V) or (VI).

**D. Transfer of Shares**

Shares of the Company may be transferred according to laws. The Company shall not accept its own shares as the subject matter of a pledge.

The shares issued (if any) before the Company makes a **[REDACTED]** of shares shall not be transferred within one year as of the day when the stocks of the Company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of the Company, such provisions shall prevail.

Upon **[REDACTED]** of the shares, directors and senior management of the Company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold in the Company. Shares of the Company held by them shall not be transferred within one year as of the day when the stocks of the Company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the Company held within six months after he/she leaves office.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

**E. Shareholders**

The Company shall establish a register of shareholders in accordance with the law. The register of shareholders serves as sufficient evidence to prove that shareholders hold shares in the Company. Shareholders enjoy rights and bear obligations according to the type of shares they hold; shareholders holding the same type of shares enjoy equal rights and bear the same obligations.

When the Company is to convene a shareholders' meeting, to distribute dividends, to be liquidated or to carry out other acts requiring confirmation of shareholders' identification, shareholders whose names appear on the register shall be the shareholders entitled to the relevant rights and interests.

Shareholders of the Company shall be entitled to the following rights:

(I) to receive dividends and other forms of distributions in proportion to their shareholdings;

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

(III) to supervise and manage a company's business operations, and to present proposals or to raise inquiries;

(IV) to transfer, gift or pledge the shares held by him/her in accordance with laws, administrative regulations and the provisions of the Articles;

(V) to inspect and copy the Company's Articles, share register, minutes of shareholders' meetings, resolutions of meetings of the board of directors, and financial and accounting reports; shareholders who meet the specified requirements may inspect the company's accounting books and accounting vouchers; shareholders individually or jointly holding more than 3% of the shares of the Company for more than 180 days in succession may request to inspect the accounting books and accounting vouchers of the Company, but shall be made in accordance with the requirements of the Company Law, Securities Law and other laws, administrative regulations and the Articles;

(VI) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of the Company in proportion to the number of shares held;

(VII) for any shareholder who raises objections to the resolution of the shareholders' meeting on the merger or split-up of the Company, to request the Company to purchase its shares;

(VIII) other rights conferred by laws, administrative regulations, departmental rules or the Articles.

When a Shareholder requests to inspect or copy materials of the Company, it shall be made in accordance with the requirements of the Company Law, Securities Law and other laws, administrative regulations. When a Shareholder requests to inspect the information mentioned above in the previous article, he/she shall provide the Company with a written document proving the class and number of shares he/she holds in the Company. The Company shall comply with the Shareholder's request upon verifying the Shareholder's identity.

Shareholders individually or jointly holding more than 3% of the shares of the Company for more than 180 days in succession may request to inspect the accounting books and accounting vouchers of the Company, he/she shall submit a written request to the Company stating the purpose. If the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers for an improper purpose that may harm the lawful interests of the Company, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons thereof. In cases where the Company rejects a shareholder's request to inspect the Company's accounting books, the shareholder may initiate legal action in the people's court.

A shareholder who requests to inspect and copy relevant materials of the wholly-owned subsidiary of the Company shall abide by the Articles.

The Company shall establish smooth and effective communication channels with its shareholders to protect their rights to information, participation, inquiry, and vote. Shareholders shall exercise these rights in accordance with the requirements under the Articles, the Company's internal governance system and relevant laws and regulations.

Shareholders of the Company shall assume the following obligations:

(I) to comply with laws, administrative regulations and the Articles;

(II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such Shares;

(III) not to withdraw its share capital unless prescribed otherwise in laws and regulations;

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

(V) other obligations imposed by laws, administrative regulations and the Articles.

Any Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with laws; any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

## F. Controlling Shareholders and De Facto Controller

The controlling shareholder and the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations and requirements of the CSRC, and shall safeguard the interests of the Company.

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

(I) exercise shareholders' rights in accordance with the law, and shall not abuse their control or use their connected relationship to act in detriment to the legitimate rights and interests of the Company or other shareholders;

(II) strictly fulfill their public declarations and undertakings, and shall not alter or waive such declarations and undertakings in a unilateral manner;

(III) shall not misappropriate the Company's funds in any manner;

(IV) shall not force, instruct or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(V) shall not take advantage of the Company's undisclosed material information for personal gain, shall not disclose any undisclosed material information related to the Company in any manner, and shall not engage in insider trading or any other unlawful or non-compliant acts;

(VI) shall not harm the lawful rights and interests of the Company and other shareholders by means of unfair related party transactions, profit distribution, asset restructuring, external investment or any other means;

(VII) shall ensure the integrity of the Company's assets, and the independence of its personnel, finances, organisation and business operations, and shall not affect the Company's independence in any manner;

(VIII) comply with other provisions stipulated by laws, administrative regulations, the requirements of the CSRC and the Articles.

Where the controlling shareholder or the de facto controller of the Company does not serve as the director but actually handles the Company's affairs, the provisions of the Articles regarding the fiduciary duties and duties of care of directors shall apply.

Where the controlling shareholder or the de facto controller of the Company instructs any director or senior management to engage in acts in detriment of the interests of the Company or its shareholders, such controlling shareholder or de facto controller shall bear joint and several liability together with such director or senior management.

## G. Shareholders' Meetings

### General Rules

The Shareholders' meeting of the Company consists of all shareholders. The shareholders' meeting is the organ of authority of the Company and exercises the following functions and powers in accordance with the law:

(I) to elect and replace directors, and to decide on matters relating to the remuneration of directors;

(II) to consider and approve the report of the board of directors;

(III) to consider and approve the profit distribution plan and loss recovery plan of the Company;

(IV) to make resolutions on the increase or decrease of the registered capital of the Company;

(V) to make resolutions on the issuance of corporate bonds or other securities;

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

(VII) to amend the Articles;

(VIII) to make resolutions on the Company's engagement or dismissal of the accounting firm that undertakes the Company's auditing services;

(IX) to consider and approve external guarantees provided by the Company in accordance with the laws, administrative regulations, departmental rules, the Articles and requirements under internal system of the Company;

(X) to consider the matters in which the material assets purchased or sold by the Company within one year exceed 30% of the latest audited total assets of the Company;

(XI) to consider and approve the change of use of proceeds;

(XII) to consider the equity incentive scheme and employee stock ownership plan;

(XIII) to consider other matters that shall be decided by the shareholders' meetings as required by laws, administrative regulations, departmental rules or the Articles and requirements under internal system of the Company.

The shareholders' meetings may authorise the board of directors to make resolutions on the issuance of corporate bonds or other securities and change of use of proceeds. The above functions and powers of the shareholders' meetings shall not be exercised by the board of directors or other institutions or individuals on their behalf by means of authorization. In a transaction to "purchase or dispose material assets" under item (X) of the preceding provision, the higher of the total assets or the transaction amount shall be used as the calculation standard, and shall be calculated cumulatively over a period of twelve consecutive months according to the type of transaction. If the cumulative calculation reaches 30% of the latest audited total assets, the transaction shall be submitted to the shareholders' meetings for consideration and approved by special resolution. Where the relevant obligations have been fulfilled in accordance with the aforementioned provisions, they shall no longer be included in the relevant cumulative calculation scope.

The following external guarantees of the Company must be considered and approved by the shareholders' meetings:

(I) a single guarantee with an amount exceeding 10% of the latest audited net assets;

(II) any provision of guarantee after the total amount of external guarantees of the Company and controlled subsidiaries of the Company exceeded 50% of the latest audited net assets;

(III) any guarantee provided to any guaranteed party with assets-liabilities ratio exceeding 70%;

(IV) any provision of guarantee after the total amount of external guarantees of the Company exceeded 30% of the latest audited total assets;

(V) the cumulative amount of guarantees within the last year exceeded 30% of the latest audited total assets;

(VI) the guarantees provided to the shareholders, the de facto controller and their related parties;

(VII) other guarantees as provided for by laws, administrative regulations, departmental rules and other regulatory documents.

External guarantees that are subject to the approval of the shareholders' meeting must be considered and passed by the board of directors before submission to the shareholders' meeting. When a guarantee is reviewed by the board of directors, apart from being passed by over half of all the directors, it must be reviewed and approved by more than two-thirds of the directors present at the board meeting. When a guarantee mentioned in item (III) of the first provision above is reviewed at the shareholders' meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. When a guarantee mentioned in item (IV) is reviewed at the shareholders' meeting, such shareholder or the shareholders controlled by the said beneficial controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by a simple majority of the voting rights of the other shareholders attending the shareholders' meeting. When the Company provides guarantees for its wholly-owned subsidiaries, or guarantees for its controlled subsidiaries and other shareholders of the controlled subsidiaries provide guarantees in the same proportion of their interests, and the interest of the Company is not prejudiced, the Company may be exempted from the requirements under items (I) to (III) above and is not required to submit to the shareholders' meeting for consideration, unless otherwise required by the Articles.

Relevant responsible bodies shall be liable for the corresponding liabilities in the event of violation of the approval scope of external guarantees and consideration procedure.

If the transaction (except for provision of guarantee) between the Company and a related party satisfies any one of the following criteria, it shall be submit to the shareholders' meeting for consideration:

(I) a transaction between the Company and a related party (except where the Company receives donation of any assets in cash or provides guarantees) with transaction amount exceeding RMB30 million which represents more than 5% of the absolute value of the latest audited net assets of the Company;

(II) the Company provides guarantee for the related party.

Shareholders' meetings are categorized into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within 2 months from the date of occurrence:

(I) where the number of directors is less than two-thirds (i.e. 6 person) of the number as prescribed in the Company Law or the number of directors as prescribed in the Articles;

(II) when the unrecovered losses of the Company have reached one-third of the total share capital;

(III) at the request of shareholders individually or in aggregate holding more than 10% of the shares of the Company;

(IV) when the board of directors deems necessary;

(V) when the audit committee proposes to convene such meeting;

(VI) when proposed to be convened by more than half of the independent directors;

(VII) other circumstances as provided for by laws, administrative regulations, departmental rules or the Articles.

The number of shareholding mentioned in item (III) above is calculated according to the date on which the written request is submitted by the shareholder.

If a shareholders' meeting cannot be held within the aforementioned period, all shareholders shall be promptly notified and the reasons shall be explained in writing.

**Convening of Shareholders' Meeting**

The board of directors shall convene the shareholders' meeting within the prescribed time limit.

The audit committee is entitled to propose to the board of directors to convene an extraordinary general meeting, such proposal shall be put forward in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, provide a written reply of consent or refusal to convene the extraordinary general meeting within 10 days after receipt of the proposal. If the board of directors agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within 5 days after a board resolution is passed. Any changes to the original proposals in the notice shall be approved by the audit committee. If the board of directors does not agree to convene an extraordinary meeting or fails to provide feedback within 10 days upon receipt of the proposal, the board of directors shall be deemed to be unable or failing to perform its duties of convening such meeting, and the audit committee may convene and preside over the meeting on its own.

The independent directors are entitled to propose to the board of directors to convene an extraordinary general meeting if approved by more than half of the total independent directors. The board of directors shall, in accordance with the laws, administrative regulations and the Articles, provide written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving the proposal from the independent directors. If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the board resolution is passed. If the board of directors does not agree to convene the extraordinary general meeting, it shall explain the reasons thereof.

Shareholders individually or in aggregate holding more than 10% of the shares of the Company have the right to request the board of directors to convene an extraordinary general meeting, which shall be made in writing. The board of directors shall, in accordance with laws, administrative regulations and the Articles, provide a written reply of consent or refusal to convene the extraordinary general meeting within 10 days after receipt of the request. If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice of such meeting within 5 days after a Board resolution is passed. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting, or fails to respond within 10 days after receiving the request, the shareholders individually or in aggregate holding more than 10% of the shares of the Company have the right to propose to the audit committee to convene an extraordinary general meeting, which shall be submitted in writing to the audit committee. If the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening such shareholders' meeting within five days after receipt of the request. Any changes to the original request in the notice shall be approved by relevant shareholders. If the audit committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, the audit committee shall be deemed not to convene and preside over the shareholders' meeting, and the shareholders who individually or in aggregate hold more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

If the audit committee or the shareholders decide to convene a shareholders' meeting on their own, they shall notify the board of directors in writing.

Before the resolutions of the shareholders' meeting are announced, the convening shareholders shall hold not less than 10% of the shares.

**Proposals and Notices of Shareholders' Meeting**

The content of the proposal of shareholders' meeting shall fall within the terms of reference of the shareholders' meeting, with clear topics and specific resolutions, and in compliance with laws, administrative regulations and the Articles.

The board of directors, the audit committee and the shareholders individually or in aggregate holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company when convening a shareholders' meeting of the Company.

Shareholders individually or in aggregate holding more than 1% of the shares of the Company may put forward an interim proposal and submit it in writing to the convener 10 days before the shareholders' meeting. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' meeting to state the content of the interim proposal, and submit the interim proposal to the shareholders' meeting for consideration, unless the interim proposal violates the laws, administrative regulations or the Articles, or does not fall within the scope of the terms of reference of the shareholders' meeting.

Except for the circumstances prescribed in the preceding paragraph, after the convener has issued the notice of shareholders' meeting, the proposals specified in the notice of the shareholders' meeting shall not be modified or increased by adding new proposals.

For proposals that are not specified in the notice of the shareholders' meeting or do not comply with the provisions of the Articles, the shareholders' meeting shall not vote on and pass resolutions.

The convener will notify all shareholders 20 days before the annual general meeting and shall notify all shareholders 15 days before an extraordinary general meeting.

The calculation of the aforementioned starting period includes the date the meeting notice is issued, but excludes the date the meeting is held.

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

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

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

(III) an explanation in conspicuous words that all shareholders have the right to attend the shareholders' meeting, and may authorise a proxy in writing to attend the meeting and vote at the meeting, and such proxy need not be a shareholder of the Company;

(IV) the name and telephone number of the permanent contact person for conference affairs.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose all the specific contents of all proposals. If the matters to be discussed require the opinions of the independent directors, the opinions of the independent directors and the reasons therefor shall be disclosed at the same time when the notice of shareholders' meeting or its supplementary notice is issued.

If the shareholders' meeting intends to discuss the election of directors, the notice of the shareholders' meeting shall fully disclose the detailed information of the director candidates, including at least the following:

(I) personal status such as educational background, working experience, part-time jobs, etc.;

(II) whether the candidate has any connected relationship with the Company or the Company's controlling shareholder or de facto controller;

(III) the number of shares of the Company held;

(IV) whether the candidate has ever been penalized by the CSRC and other relevant authorities or stock exchange.

Except for the election of directors by cumulative voting, each candidate for director shall be proposed by a single proposal.

After the notice of shareholders' meeting has been issued, the shareholders' meeting shall not be postponed or cancelled without valid reasons, and the proposals specified in the notice of shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall explain the reason at least 2 working days before the original convening date.

In the event of postponement of the shareholders' meeting, the Company shall state the date of the postponed meeting in the notice.

If a shareholder proposes an interim proposal before the shareholders' meeting is convened, the Company shall issue a supplementary notice of the shareholders' meeting within the prescribed time, disclosing the name of the shareholder who proposed the interim proposal, the shareholding ratio and the content of the new proposal.

**Holding of Shareholders' Meeting**

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

If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid documents or evidence that can identify him/herself; if a proxy attends the meeting, he/she shall produce his/her own valid identity document and the original copy of power of attorney of the shareholder.

For a shareholder who is a corporate legal person, its legal representative or a proxy authorised by its legal representative shall attend the meeting. If its legal representative attends the meeting, he/she shall produce his/her own valid identity card or the valid document to prove his/her qualification as a legal representative; if a proxy attends the meeting, the proxy shall produce his/her own identity card and a power of attorney in writing issued by the legal representative of the corporate shareholder in accordance with the law.

Shareholders of a partnership should be represented at the meeting through a representative appointed by the executive partner of the partnership/ proxy of executive partner entrusted by the appointed representative. The representative appointed by the executive partner/ proxy of executive partner attending the meeting shall produce his/her own identification card and valid proof of qualification as an appointed representative. If a proxy is entrusted to attend the meeting, the proxy shall produce his/her own identification card and the original copy of the power of attorney issued by the executive partner/ proxy of executive partner.

The power of attorney issued by a shareholder for appointing another person to attend the shareholders' meeting shall contain the following:

(I) name of the authorizing principal and number of the Company's shares held;

(II) name of the proxy and identity card number;

(III) the instructions to vote for, against or abstain from voting on each matter to be considered on the agenda of the shareholders' meeting;

(IV) date of issuance and the validity period of the power of attorney;

(V) Signature (or seal) of the authorizing principal. If the authorizing principal is a corporate legal person or shareholder of a partnership, the seal of the legal person entity of partnership shall be affixed.

Where the form of proxy for voting is signed by another person authorised by the authorizing principal, the power of attorney or other authorizing documents authorizing the signing shall be notarized. The notarized power of attorney or other document of authorization and the form of proxy for voting shall be kept at the domicile of the Company or such other place as may be specified in the notice of convening the meeting.

The register of attendees of the meetings shall be prepared by the Company. The register of meetings shall contain the names of the persons (or the names of entities) attending the meetings, their identity card numbers (or Unified Social Credit Code), the amount of shares with voting rights held or represented, and the names of their authorizing principals (or the names of their entities), etc.

The convenor shall verify the eligibility of the shareholders to vote based on the Company's shareholder register or the shareholder register provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares they have. Registration shall come to a close before the chairman of the meeting announces the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote.

Where the shareholders' meeting requests the director or senior management to attend the meeting, the director or senior management shall attend the meeting for inquiries from shareholders.

The chairman shall preside over the shareholders' meeting. In the event of any inability or failure of the chairman to perform his/her duties, one director jointly elected by a majority of the directors shall preside over the shareholders' meeting.

A shareholders' meeting convened by the audit committee shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable to, or fails to perform his/her duties, one member of the audit committee jointly elected by a majority of the members of the audit committee shall preside over the meeting.

A shareholders' meeting convened by the shareholders themselves shall be presided over by the convenor or a representative proposed by him/her.

When a shareholders' meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the shareholders' meeting to continue, subject to the approval of a majority of the shareholders having the voting rights who are present at the meeting, a person may be elected at the shareholders' meeting to act as the chairman of the meeting to continue the meeting.

The Company shall establish the procedure at the shareholders' meeting, setting out the details of the procedures for summoning, convening and voting procedure of shareholders' meeting, including notice, registration, consideration of resolution, poll, announcement of voting results, forming of meeting resolution, minutes and its signature, principle for authorizing power to the board of directors by the shareholders' meeting, substance of such authorization shall be clear and specific.

The Company's procedure at shareholders' meeting constitutes an appendix to the Articles and prepared by the board of directors and approved by the shareholders' meeting.

At the annual general meeting, the board of directors shall report in writing on their work for the previous year. All Independent directors are required to deliver separate work reports.

The directors and senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the shareholders' meeting, unless:

(I) the queries are not related to the agenda of the meeting;

(II) the queries involve matters to be verified;

(III) the queries involve trade secrets of the Company;

(IV) other reasonable reasons.

Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by shareholders who are entitled to vote. The number of shareholders and proxies physically present at the meeting as well as the total number of voting shares represented by the shareholders who are entitled to vote shall be determined in accordance with those registered during the meeting.

Minutes of a shareholders' meeting including all decisions made in the meeting shall be kept and such minutes shall be prepared by the secretary to the board of directors. Minutes of the shareholders' meetings should set out the following:

(I) the date and venue for convening the meeting, meeting agenda and the name of the convenor;

(II) the name of the chairman of the meeting as well as those of the directors, general manager and other senior management who attend the meeting as attendees and participants;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares represented by the shareholders who are entitled to vote; the proportion of the number of voting shares represented by the shareholders who are entitled to vote out of the total number of shares of the Company;

(IV) a description of the considerations taken for each motion, the main points put forward by each speaker relating thereto and the voting results thereof;

(V) details of inquiries and recommendations of the shareholders and the corresponding response or explanation in relation thereto;

(VI) other contents which should be recorded in the minutes as provided for in the Articles.

The convenor shall ensure that the content of the minutes shall be true, accurate and complete. Minutes shall be signed by attendees of the meeting or present in the meeting, including the directors, secretary to the Board, the convenor or its representative and the chairman of the meeting. Minutes shall, together with the register relating to the shareholders present at the meeting in person and the proxy form if present by proxy, or via Internet or other permitted means be kept by the Company for a period of not less than 10 years.

The convenor shall ensure that a shareholders' meeting is held on a continuous basis until a final resolution is adopted. If a shareholders' meeting is suspended or no resolution can be adopted due to force majeure or other exceptional reasons, necessary measures shall be taken so as to promptly re-convene the shareholders' meeting or to directly terminate the then shareholders' meeting, and inform the shareholders on a timely basis.

**Voting and Resolutions of Shareholders' Meeting**

Resolutions of shareholders' meetings shall be ordinary resolutions or special resolutions. An ordinary resolution of the shareholders' meetings shall be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies of shareholders) present at the meeting. A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders present at the meeting (including shareholders present by proxies).

The following matters shall be passed by shareholders' meetings by way of ordinary resolutions:

(I) work reports of the board of directors;

(II) profit distribution proposals and loss recovery proposals formulated by the board of directors;

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

(IV) matter other than those which are required by laws, administrative regulations, provisions of the Articles to be passed by way of special resolutions.

The following matters shall be passed by shareholders' meetings by way of special resolutions:

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

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

(III) the amendments to the Articles;

(IV) the Company's acquisition or disposal of material assets or provision of guarantees to other parties conducted within the period of one year with an amount exceeding 30% of the latest audited total assets of the Company;

(V) share incentive plans;

(VI) other matters stipulated by laws, administrative regulations, provisions of the Articles, and considered by an ordinary resolution of shareholders' meetings that they would impose significant impact on the Company and require adoption by way of a special resolution.

Shareholders (including proxies) present in shareholders' meetings may exercise their voting rights by the number of shares held by them which carry the right to vote. Each share shall have one vote. However, shares of the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' meeting.

When relevant related transaction is considered at a shareholders' meeting, the related shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with valid voting rights; the resolutions of the shareholders' meeting shall fully disclose the voting of non-related shareholders. In the event such related shareholder does not abstain from voting when he/she should, and the shareholders' meeting resolves to pass the resolutions on the relevant related transactions that result in any unintended loss on the Company, the other shareholders of the Company or any third party, such related shareholder shall be liable for the corresponding civil liabilities arising therefrom.

The Company shall, on the premise of ensuring the lawfulness and validity of the shareholders' meeting, provide facilities to the shareholders attending the shareholders' meeting by adopting various methods and channels.

Save that the Company is under exceptional circumstances such as crisis, unless approved by way of special resolution at a shareholders' meeting, the Company shall not enter into any contracts with any person other than the directors and other senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person.

The list of director (including independent director) candidates shall be submitted to the shareholders' meeting for voting in the form of a proposal.

The methods and procedures for nominating directors (including independent directors) are as follows:

(I) the board of directors or shareholders who individually or collectively hold more than 3% of the Company's shares may propose director candidates;

(II) for the board of directors and abovementioned shareholders eligible to nominate, the number of nominated director candidates shall not exceed the number of candidates to be elected;

(III) the abovementioned shareholders eligible to nominate nominating a director candidate shall submit a proposal in writing to the board of directors of the Company 3 days before a board meeting is convened. The proposal shall include biographical details of the director candidate. The proposal will be formally reviewed by the board of directors and then submitted to the shareholders' meeting for voting;

(IV) the board of directors shall report the biographical details and basic information of the director candidates to the shareholders' meeting.

When the shareholders' meeting votes on the election of directors, it may, pursuant to the Articles or a resolution of the shareholders' meeting, do so by cumulative voting.

When the shareholders' meeting is electing 2 or more independent directors, or a single shareholder of the Company and his/her party acting in concert have a shareholding of over 30%, the cumulative voting system shall be adopted. Under the cumulative voting system, when the shareholders' meeting elects the directors, each share shall have the number of voting rights same as the number of the directors to be elected and shareholders may exercise such voting rights in a concentrated manner. Other than the cumulative voting system, the shareholders' meeting will vote on all motions one by one, and for the different motions on the same matter, voting will be proceeded according to the order of the times these motions are put forward. Other than special reasons such as force majeure that results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' meeting shall not postpone the motions and shall vote on them.

When the shareholders' meeting considers a proposal, no changes may be made to the proposal; if changed, it shall be considered as another new proposal and shall not be voted on at this shareholders' meeting.

Registered voting is adopted for shareholders' meetings. In the event of a duplicate vote on the same voting right, the result of the first vote shall prevail.

The chairman of the meeting shall announce the voting on and results of each proposal on-site and declare whether the proposal has been passed based on the voting results.

Prior to the official announcement of the voting results, the Company, the shareholders and other related parties are obliged to keep confidentiality the information relating to voting.

Shareholders attending the shareholders' meeting should make one of the following opinions on the proposal submitted for voting: for, against or abstain.

Ballot papers which has not been filled, ballot papers which have been filled erroneously, the handwriting on the ballot papers cannot be recognised, ballot papers which have not been cast or ballot papers not yet delivered to the Company within the prescribed period will be considered as the relevant voters having abandoned his voting rights and the voting results in respect of his voting shares will be considered as "abstained".

If the chairman of the meeting has any doubts about the voting result of the submitted resolution, he/she may arrange re-counting of the votes. If the chairman of the meeting does not arrange re-counting of the votes, Shareholders or proxies attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request re-counting of votes immediately after announcement of the voting result, in which case the chairman of the meeting shall immediately arrange re-counting of the votes.

The resolution at the shareholders' meeting shall include the number of shareholders and proxies present, the total number of voting shares represented and their proportion relative to the Company's total voting shares, the voting methods employed, the voting results for each proposal, and the full text of each resolution passed. If the Company issues foreign shares listed in the PRC, details of the attendance by the holders of domestic shares and holders of foreign shares and how they voted shall be accounted for separately and published.

If any proposal has not been passed in the shareholders' meeting or modification has been made to a resolution of the preceding shareholders' meeting by the current shareholders' meeting, a special note should be contained in the resolutions of the shareholders' meeting.

After the shareholders' meeting has passed the resolutions on the election proposal for directors, the newly elected directors shall take office at the conclusion of the shareholders' meeting, unless otherwise required by resolution of the shareholders' meeting.

When a shareholders' meeting has passed resolutions on the distribution of cash dividends, bonus shares or increase in share capital by conversion of capital reserves, the Company shall implement the specific proposal within 2 months after conclusion of the shareholders' meeting.

## H. Directors

Directors of the Company shall be natural persons. A person who is applicable to any one of the following circumstances shall not become a director of the Company:

(I) a person who is incapacitated or limited in capacity for civil conduct;

(II) a person who has been sentenced to criminal punishment for corruption, bribery, expropriation or misappropriation of property, or disruption of the economic order of the socialist market, or who was deprived of his/her political rights as punishment for a criminal offence, and a period of 5 years has not elapsed since the deprivation ended, or who has been sentenced to suspended sentence, and a period of 2 years has not elapsed since the expiration date of the period of probation of the suspended sentence;

(III) a person, who was a director, factory chief or manager of a company or enterprise which went into insolvent liquidation, and was personally liable for that insolvent liquidation and a period of 3 years, counting from the date of completion of the liquidation proceedings in question, has not elapsed;

(IV) a person, who was the legal representative of a company or enterprise which has had its business license revoked or has been ordered to be closed down for contravening the law, and was personally liable for that revocation and a period of 3 years, counting from the date of revocation of the business license in question, closure order, has not elapsed;

(V) a person with comparatively large debts for which he is personally liable and which have fallen due but have not been settled, classified as a dishonest person against whom enforcement is sought by the People's Court;

(VI) a person who has received administrative penalty by the CSRC in the last 3 years;

(VII) a person who is under investigations of the CSRC for suspicion of criminal offenses or violations of laws and regulations which have not definitive conclusion;

(VIII) a person who is subject to securities market entry bans imposed by the CSRC, with an unexpired term;

(IX) a person who is publicly recognised by the stock exchange as unsuitable to serve as directors of the Company, with an unexpired term;

(X) other circumstances as prescribed by laws, administrative regulations, departmental rules of the Articles.

If any election or appointment or engagement of directors is in contravention of the Articles, the election, appointment, or engagement shall be invalid. The Company shall dismiss any directors and cease their duties in the event that the circumstances specified in the Articles occur during their tenure.

Directors shall be elected or replaced at shareholders' meeting and may be removed from office prior to the expiry of their tenure by shareholders' meeting. The term of office of non-independent directors shall be 3 years. Upon maturity of the term of office, a director shall be eligible to offer himself/herself for re-election and reappointment.

A director's term of office shall commence from the date on which he/she takes office and up to the expiry of the current term of office of the board of directors. If, upon the expiry of a director's term of office, a new director cannot be elected on a timely basis, before the re-elected director starts his/her term of office, such director shall continue to perform his/her duties as director in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles.

Senior management member can concurrently serve as a director, but the total number of directors who hold the positions of senior management members and directors who are employee representatives (if any) shall not be more than 1/2 of the total number of directors of the Company.

Directors should abide by the provisions of laws, administrative regulations and the Articles, owe duty of loyalty to the Company, and shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to seek improper interests. Directors owe the following duty of loyalty to the Company:

(I) shall not embezzle the Company's property nor misappropriate the Company funds;

(II) shall not use the Company's funds to open and deposit into accounts in their own name or other individuals' names;

(III) shall not take advantage of their positions to bribe or accept other illegal income;

(IV) without reporting to the board of directors or shareholders' meetings, and without being passed by the board of directors or shareholders' meetings by way of resolutions in accordance with the provisions of the Articles, not to directly or indirectly enter contracts or conduct transactions with the Company;

(V) shall not exploit their position for seeking business opportunities that belong to the Company for himself/herself or others, but except those which have been reported to the board of directors or shareholders' meetings and passed by way of resolutions of the shareholders' meetings, or the Company shall not use the business opportunity in accordance with the provisions of laws, administrative regulations or the Articles;

(VI) without reporting to the board of directors or shareholders' meetings and being passed by resolutions of the shareholders' meetings, they shall not operate business similar to that of the Company's for themselves or for others;

(VII) shall not retain commissions for themselves from transactions between other parties and the Company;

(VIII) shall not disclose Company secrets without authorization;

(IX) shall not hamper the Company's interests through its associated relationships;

(X) other duty of loyalty as prescribed by laws, administrative regulations, departmental rules and the Articles.

Income obtained by directors in violation of the provisions of the Articles should belong to the Company. Directors causing losses to the Company due to such violation shall be liable for compensation. The provisions of item (IV) above shall apply to the close relatives of directors and senior management officers, enterprises directly or indirectly controlled by directors or senior management officers or their close relatives, and associated persons of other associated relationships with directors or senior management officers, who enter contracts or conduct transactions with the Company.

Directors shall abide by the requirements by laws, administrative regulations and the Articles, owe duty of care to the Company, perform duties with reasonable care that managers should ordinarily exercise in the best interests of the Company. Directors owe the following duty of care to the Company:

(I) to prudently, attentively, and diligently exercise the rights granted by the Company to ensure that the Company's business activities comply with requirements of national laws, administrative regulations, and each of the national economic policies, and the business activities are within the business scope stipulated by the business license;

(II) to treat all shareholders fairly;

(III) in principle, shall attend the board meeting in person. Any director who authorised another director to attend on his or her behalf due to certain reasons shall cautiously select a proxy, with specific and clear authorised matters and intent of decision-making;

(IV) by ways of reviewing documents, interviewing responsible personnel, and conducting on-site investigations and research, actively learn and continuously focus on matters such as the operating condition of the Company and timely report relevant issues and risks to the board of directors, and shall not claim exemption from liability on the grounds that they are not familiar with the Company's business or do not understand the relevant matters;

(V) to inform the audit committee of the relevant circumstances and information based on facts, and shall not hinder the audit committee from exercising their powers;

(VI) to perform other duty of care as required by laws, administrative regulations, departmental rules and the Articles.

Where a director fails to attend board meetings and has not appointed a representative to attend the meetings on his/her behalf for two consecutive times, he/she shall be deemed as incapable to perform his/her duty. The board of directors shall propose at the shareholders' meeting to remove the director.

A director may resign before expiration of his/her term. The resigning director shall submit a resignation report in writing to the board of directors. Where, as a result of a director's resignation, the quorum requirement for members of the board of directors is no longer met, or the number of independent directors is less than one-third of the members of the board of directors due to the resignation of an independent director, or there is no accounting professional among the independent directors, resignation report shall become effective only after the new director or independent director fills the vacancy arising from their resignation. The resigning director shall continue to perform a director's functions in accordance with laws, administrative regulations, departmental rules and the Articles before the newly elected director assumes office.

Except as specified in the preceding paragraph of the Articles, the director's resignation shall be effective from the day when the written resignation report is served to the board of directors.

A director whose resignation has taken effect or term of office has expired shall perform hand-over procedures with the board of directors, and his/her loyalty duties to the Company and shareholders shall not release and shall remain valid within a year after conclusion of his/her term of office.

The shareholders' meeting may resolve to dismiss a director, and such dismissal shall take effect on the date the resolution is passed. If a director is removed before the expiration of their term without just cause, the director may seek compensation from the Company.

Subject to the provisions of the Articles, no director shall act on behalf of the Company or the board of directors in his/her own name without lawful authorization of the board of directors. If any third party reasonably believes that a director is acting on behalf of the Company or the board of directors, such director shall make clear his/her position and identity in advance.

If a director, in performing his duties for the Company, causes damage to others, the Company shall bear the compensation liability; if the director's act is intentional or involves gross negligence, the director shall also bear the compensation liability. A director shall be personally liable for any loss suffered by the Company as a result of their breach of applicable laws, administrative regulations, departmental rules or the Articles in the course of performing duties of the Company.

**I. The Board of Directors**

The Company shall have a board of directors which is elected by shareholders' meeting and is accountable to shareholders' meetings. The board of directors comprises of 7 to 9 directors, among which there are 3 independent directs (with at least one accounting professional) and 1 chairman. Term of office of directors shall be 3 years. After the term of office of a director expires, he/she may be re-elected to serve another term.

The board of directors shall exercise the following functions and powers:

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

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

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

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

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

(VI) to formulate plans for merger, division, dissolution and change of nature of incorporation of the Company;

(VII) to determine the investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, related party transactions and external donations of the Company within the authorization of the shareholders' meeting;

(VIII) to decide on the establishment of the Company's internal management structure;

(IX) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's chief financial officer and determine on his/her remuneration, rewards and punishments;

(X) to formulate the basic management system of the Company;

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

(XII) to manage the information disclosure of the Company (if applicable);

(XIII) to propose to shareholders' meetings the appointment or replacement of the accounting firm that provide audit service to the Company;

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

(XV) other functions and powers conferred by laws, administrative regulations, departmental rules, the Articles and procedures of the board meetings and other functions and powers delegated by shareholders' meetings.

Matters beyond the scope of such authorization shall be submitted to the shareholders' meeting for consideration.

Except for external guarantee matters that should be submitted to the shareholders' meeting for consideration according to the provisions of the Articles, all external guarantee matters of the Company shall be reviewed and approved by the board of directors.

The board of directors of the Company shall provide explanations to the shareholders' meeting regarding non-standard audit opinions issued by certified public accountants on the Company's financial reports.

The board of directors shall determine authority limits for external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related transactions, external donations and other matters, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the shareholders' meeting for approval. The following transactions (except for provision of guarantee) are subject to the approval of the board of directors:

(I) the total amount of assets involved in the transaction exceeds 10% of the latest audited total assets of the Company, if involved both book value and assessed value, the higher shall be used for calculation;

(II) the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited operating revenue of the Company in the most recent financial year, and the amount of which exceeds RMB10 million;

(III) the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited net profit of the Company in the most recent financial year, and the amount of which exceeds RMB10 million.

If the data involved in the calculation of the above indicators is negative, its absolute value will be used for calculation.

The board of directors shall decide on other external guarantees other than those listed in the above provisions of the Articles which shall be subject to the approval of the shareholders' meeting. The board of directors shall, in addition to the approval of more than half of all the directors, obtain the consent of more than two-thirds of the directors attending the board meeting when considering the external guarantees.

If the Company carries out external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management or external donations, it shall be subject to the approval of the chairman:

(I) the total amount of assets involved in the transaction is less than 10% of the latest audited total assets of the Company, if involved both book value and assessed value, the higher shall be used for calculation;

(II) the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year is less than 10% of the audited operating revenue of the Company in the most recent financial year, and the amount of which does not exceed RMB10 million;

(III) the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year is less than 10% of the audited net profit of the Company in the most recent financial year, and the amount of which does not exceed RMB10 million.

If the data involved in the calculation of the above indicators is negative, its absolute value will be used for calculation.

The chairman has no authority to approve the Company's provision of external guarantees on his own.

Where the transactions (except for provision of guarantee) between the Company and the related parties meet one of the following criteria, they shall be submitted to the board of directors for consideration:

(I) the transaction amount of a related transaction between the Company and its related natural person exceeds RMB3 million (except for provision of guarantee by the Company);

(II) the transaction amount of a related transaction between the Company and its related legal person exceeds RMB3 million and accounts for over 1% of the absolute value of the Company's latest audited net assets (except for provision of guarantee by the Company).

The following related transactions of the Company shall be approved by the chairman:

(I) the transaction amount of a single related transaction between the Company and its related natural person not exceeding RMB3 million;

(II) the transaction amount of a related transaction between the Company and its related legal person not exceeding RMB3 million and accounts for less than 1% of the absolute value of the Company's latest audited net assets.

If the chairman is related to such related transaction, it shall be considered by the board of directors.

When the Company's board of directors considers related transactions, related party directors shall abstain from voting and shall not exercise voting rights on behalf of other directors. The board meeting shall have more than half of the non-related directors present, and resolutions made at the board meeting must be passed by more than half of the non-affiliated directors. If the number of non-affiliated directors present at the board meeting is less than three, the Company shall submit the transaction to the shareholders' meeting for consideration.

The board of directors has one chairman. The chairman shall be elected by the board of directors by more than half of all directors.

The chairman of the board shall exercise the following functions and powers:

(I) to preside over shareholders' meetings, to convene and preside over board meetings;

(II) to supervise and check on the implementation of the board resolutions;

(III) to sign material documents of the board of directors and other documents that should be signed by the legal representative of the Company;

(IV) to exercise the powers of the legal representative;

(V) to nominate candidates for general manager, board secretary and chief financial officer;

(VI) to exercise special disposal powers to handle corporate affairs in compliance with legal requirements and in the interests of the Company in case of an event of force majeure such as natural disasters, and provide post-event reports to the board of directors and the shareholders' meetings;

(VII) other powers conferred by the board of directors or laws and administrative regulation.

Board meetings include regular meetings and extraordinary meetings. The board of directors shall hold regular meetings at least twice a year and shall be convened by the chairman. A notice shall be sent to all the directors 10 days before the meeting.

The chairman, shareholders with more than one-tenth voting rights, more than one-third of the directors, the audit committee or more than half of the independent directors, may propose to convene extraordinary board meetings. The chairman shall, within 10 days upon receiving the proposal, convene and preside over the board meeting.

Notice of an extraordinary board meeting convened by the board of directors shall be served in direct delivery, fax, email or other means. Upon issuing the notice, it shall be correspondingly documented by telephone, Wechat or other means. The time limit of such notice shall be: delivered to all directors at least 3 days before convening the meeting. In the event of an emergency requiring the convening of an extraordinary board meeting, the notice of the meeting can be exempted from the above time limit and may be sent at any time by telephone or other verbal means, provided that the convener shall provide an explanation at the meeting.

A written board meeting notice shall include the following:

(I) date and venue of the meeting;

(II) form and duration of the meeting;

(III) grounds and subject matters;

(VI) contact person and means of contact;

(V) date of the notice.

A verbal meeting notice shall at least include items (I), (II) and (III) above, and explanation for an extraordinary board meeting in emergency.

The board meeting shall be held only when more than half of the directors are present. Resolutions made by the board of directors must be passed by more than half of all directors.

Voting on board resolutions shall be made on a one-person-one-vote basis.

If any director has connection with the enterprise or individuals involved in the resolution made at a board meeting, the said director shall promptly report in writing to the board of directors, and any director who has a connected relationship shall not vote on the said resolution for himself or on behalf of other directors. A board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution made at the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than 3, the issue shall be submitted to the shareholders' meeting for deliberation.

Board meetings can be convened by on-site meeting. Provided that the directors can fully express their opinions, such meetings could also be convened by means of online meetings, fax, email, phone conference or other forms and resolutions could be passed thereof. Voting on board resolutions shall be conducted by show of hands, written votes, electronic votes and voting by communication, etc. Board resolutions signed by the directors who attended the meeting, with fax or electronic signature also being valid.

Directors shall attend the board meetings in person. Where a director is unable to attend a meeting for any reason, it may, by a written power of attorney, appoint another director to attend the meeting on its behalf. The power of attorney shall set out the name of the attorney, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing director. A director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director is unable to attend a board meeting and has not appointed are presentative to attend the meeting on its behalf, it shall be deemed to have waived the right to vote at the meeting.

Directors' responsibilities for voting matters should not be exempted by appointing other directors to attend the meeting.

The board of directors shall keep minutes of resolutions passed at board meetings. Minutes of the board meeting shall be kept as company files for a period of no less than 10 years.

Minutes of the board meeting shall include the following contents:

(I) date and place of the meeting and name of the convener;

(II) names of the attending directors and names of the directors (proxies) appointed by others to attend the board meeting;

(III) agenda of the meeting;

(IV) main points of directors' speeches;

(V) method and result of the voting for each proposal (the voting result should specify the number of votes for and against the proposal or abstention).

**J. Independent Directors**

Independent directors shall perform their duties conscientiously, play the roles of participation in decision-making, supervision, checks and balances, and professional consultation in the Board, safeguard the interests of the Company as a whole and protect the lawful rights and interests of the shareholders in accordance with laws, administrative regulations, regulations of the CSRC and the Articles.

Independent directors shall maintain independence. The following persons shall not serve as independent directors:

(I) persons who work in the Company or its subsidiaries and their spouses, parents, children and major social relations;

(II) natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company and their spouses, parents and children;

(III) persons who work for shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company and their spouses, parents and children;

(IV) persons who work for the subsidiaries of the Company's controlling shareholder or de facto controller and their spouses, parents and children;

(V) persons who have major business relationships with the Company, its controlling shareholder, de facto controller or their respective subsidiaries, or persons who work for units with major business relationships and their controlling shareholders or de facto controller;

(VI) persons who provide financial, legal, consulting, guarantee and other services to the Company, its controlling shareholders, de facto controller or their respective subsidiaries, including but not limited to all project team members, reviewers at all levels, persons who sign reports, partners, directors, senior management and principal persons in charge of intermediary institutions providing services;

(VII) persons who have had the circumstances listed in items (I) to (VI) in the past twelve months;

(VIII) other persons who are not independent as stipulated by laws, administrative regulations, regulations of the CSRC and the Articles.

The subsidiaries of the controlling shareholder or de facto controller of the Company as mentioned in items (4) to (6) above shall not include an enterprise controlled by the same state-owned assets management institution with the Company and does not constitute any related party relationship with the Company according to relevant requirements.

An independent director of the Company shall satisfy the conditions as follows:

(I) meet the independence requirement as required by the Articles;

(II) possess basic knowledge on the operation of the Company and being familiar with relevant laws, administrative regulations, policies and rules;

(III) have over five years of work experience in law, accounting or economics and other necessary experience for performing the duties of an independent director;

(IV) have good personal moral character and no major breach of integrity or other adverse records;

(V) other conditions provided by laws, administrative regulations, the requirements of the CSRC and the Articles.

As members of the board of directors, the independent directors shall have duties of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

(I) participating in the decision-making of the board of directors and expressing explicit opinions on the matters considered;

(II) supervising matters on potential material conflicts of interest between the Company and controlling shareholders, de facto controllers, Directors and senior management officers, and protecting the lawful rights and interests of shareholders;

(III) providing professional and objective advice on the operation and development of the Company and improving the decision-making of the board of directors;

(IV) performing other duties prescribed by laws, administrative regulations, the requirements of the CSRC and the Articles.

The independent directors may exercise the following special powers:

(I) engaging intermediaries independently to conduct audit, consultation or verification on specific matters of the Company;

(II) proposing to the board of directors to convene an extraordinary general meeting;

(III) proposing to convene board meetings;

(IV) soliciting shareholders' rights from shareholders publicly in accordance with laws;

(V) expressing independent opinions on matters that may prejudice the rights and interests of the Company or minority shareholders;

(VI) other powers prescribed by laws, administrative regulations, the requirements of the CSRC and the Articles.

Independent directors shall seek the consent of a majority of all independent directors before exercising the powers under items (I) to (III) above.

**K. Special Committee under the Board of Directors**

The board of directors of the Company shall have audit committee, nomination committee, remuneration and appraisal committee, and other relevant special committees. The special committees shall be accountable to the board of directors and shall perform their duties in accordance with the Articles and the authorization of the board of directors. Their proposals shall be submitted to the board of directors for consideration and decision.

All special committee members are comprised of directors. Among which majority of members of the audit committee, the nomination committee, and the remuneration and appraisal committee shall be independent directors, who shall also be the conveners. The convener of the audit committee shall be an accounting professional.

The audit committee is responsible for auditing the financial information of the Company, supervising and evaluating internal and external audits, and internal control. The following matters shall be submitted to the board of directors for consideration after being approved by a majority of all members of the audit committee:

(I) appointment or dismissal of an accounting firm which undertakes the audit work of the Company;

(II) appointment or dismissal of the chief financial officer of the Company;

(III) changes in accounting policies or accounting estimates or corrections of significant accounting errors due to reasons other than changes in accounting standards;

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

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

(I) nominating or appointing/removing directors;

(II) appointing or dismissing senior management;

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

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

The remuneration and appraisal committee shall be responsible for formulating assessment criteria for directors and senior management and conducting assessments thereof, formulating and reviewing remuneration policies and plans for directors and senior management, including the determination mechanism, decision-making procedures, payment, suspension of payment, recovery arrangements and other matters relating to remuneration, and shall make recommendations to the board of directors on the following matters:

(I) remuneration of directors and senior management;

(II) formulation or modification of equity incentive plans and employee stock ownership plans, and the fulfilment of conditions for incentive participates to be granted and exercise rights and interests;

(III) arrangements for directors and senior management to participate in stock ownership plans of proposed spun-off subsidiaries;

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

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

The Company shall formulate renumeration management system of directors and senior management in accordance with laws, administrative regulations and the requirements of relevant departments of the State, to safeguard the legal rights of employees and shareholders.

The rules of procedure for each of the special committees of the board of directors shall be formulated, considered and approved by the board of directors. Members of the committees shall be elected by the board of directors.

**L. Senior Management**

The Company shall have one general manager, several deputy general managers and one board secretary, who shall be appointed or dismissed by the board of directors.

The provisions of the Articles relating to the circumstances under which a person may not become a director and the system for managing the termination of his/her office shall also apply to the senior management.

The responsibilities of loyalty and diligence of directors in the Articles shall also be applicable to senior management.

Persons who hold administrative positions other than director (if applicable) and supervisor (if applicable) in the Company's controlling shareholder shall not serve as the Company's senior management.

The senior management of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the company.

The term of office of the general manager is 3 years and may be re-appointed to serve another term.

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

(I) to manage the Company's production and operations, to ensure the achievement of all the Company's business objectives;

(II) to organize the implementation of board resolutions, and to report his/her work to the board of directors;

(III) to organize the implementation of annual operating plans and investment proposals of the Company;

(IV) to formulate proposals for establishing the internal management structure of the Company;

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

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

(VII) to propose to the board of directors on appointment or dismissal of the Company's deputy general managers, chief financial controller and other senior management nominated by the general manager;

(VIII) to decide to appoint or dismiss management personnel other than those to be appointed or dismissed by the board of directors;

(IX) to decide to appoint or dismiss the Company's middle level management and other management and employees; to decide their job arrangement, renumeration, punishment and awards and benefits;

(X) to supervise the operation of branch offices and/ or subsidiaries, and make recommendation on the general manager for all branch offices and/ or subsidiaries;

(XI) other powers conferred by the Articles or the board of directors.

The general manager shall attend the board meetings.

The general manager shall formulate the work rules of the general manager that shall be implemented after approval by the board of directors. The detailed working rules for the general manager include the following contents:

(I) conditions, procedures and participants of general manager meeting;

(II) respective responsibilities and labour division of the general manager and other senior management;

(III) authorization of the use of Company's funds and asset, permission for signing of vital contracts and reporting mechanism to the board of directors;

(IV) other matters deemed necessary by the board of directors.

The general manager may submit resignation before the expiration of his/her term of office. Detailed procedures and methods related to the resignation of general manager are subject to the service contract signed between the general manager and the Company.

The deputy general manager is appointed and dismissed upon proposal by the general manager and decided by the board of directors; he/she is responsible for assisting the general manager. As authorised by the board of directors or the general manager, he/she may exercise the general manager's powers on his/her behalf; and is responsible for managing the work of the departments under his/her supervision.

The Company has a board secretary who shall be responsible for the preparation of the shareholders' meetings and the board meetings, the safekeeping of documents, the management of shareholder information. The board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles.

If the senior management cause damage to others while performing their duties for the Company, the Company shall bear the liability for compensation; if the senior management have intentional misconduct or gross negligence, they shall also bear the liability for compensation.

If senior management, while performing their duties for the Company, violate the provisions of laws, administrative regulations, departmental rules or the Articles, resulting in losses to the Company, they shall bear the liability for compensation.

**M. Financial Accounting System**

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations and the requirements of relevant departments of the State.

The Company shall not establish account books other than the statutory account books. Assets of the Company shall not be deposited in any personal account.

When any after-tax profits for the current year are distributed, the Company shall allocate 10% of the profit to the statutory reserve fund of the Company. If aggregate amount of the statutory reserve funds exceeds 50% of the registered capital of the Company, no more allocation shall be required. If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profit of the current year shall first be used to make up the said losses before any statutory reserve fund is allocated as per the provision of the preceding paragraph. After allocating its after-tax profits to the statutory reserve fund, the Company may also, subject to resolutions adopted at a shareholders' meeting, allocate some of its after-tax profits into its discretionary reserve. After making up for the losses and making contributions to the common reserve fund, any remaining profit after tax shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles that profit distributions shall not be made in accordance with the shareholding proportion.

If the shareholders' meeting, in violation of the Company Law, distributes profits to the shareholders, the profits so distributed shall be returned to the Company; in case of losses caused to the Company, shareholders and responsible directors and senior management shall be liable for compensation.

No profit shall be distributed in respect of the shares held by the Company.

The common reserve funds of the Company shall be applied for making up for losses, expanding the Company's production and operation or increase of the capital.

The Company shall first use discretionary reserve and statutory reserve to offset losses with the reserve; if the losses cannot be covered, the capital reserve may be used in accordance with relevant provisions.

If the statutory reserve is converted into an increase in registered capital, the balance of the statutory reserve shall not fall below 25% of the Company's registered capital before the increase of the capital.

After the shareholders' meeting of the Company makes a resolution on the profit distribution plan, board of directors of the Company shall complete such profit distribution plan within 6 months from the resolution of the shareholders' meeting. The Company's profit distribution policies are as follow:

Principles of the profit distribution: the Company implements a continuous and stable profit distribution policy, profit distribution of the Company shall focus on bringing reasonable return to the investors. The profit distribution policy shall be continuous and stable.

Methods of profit distribution: the Company's profit distribution can be made in cash, shares, combination of cash and shares or other ways permitted by law and regulations. The specific method of after-tax profit distribution shall be determined by the shareholders' meeting.

**N. Engagement of Accounting Firms**

The Company shall engage an accounting firm which is qualified under the Securities Law to conduct accounting statement audit, net asset verification and other related consulting services. The engagement period shall be one year and can be renewed.

The engagement and dismissal of an accounting firm by the Company shall be determined at a shareholders' meeting. The board of directors shall not engage an accounting firm before any resolution adopted at a shareholders' meeting.

The Company shall ensure the provision of true and complete accounting evidence, books of account, financial and accounting reports and other accounting data to the accounting firm engaged by it, and no refusal, withholding and false information are allowed.

The audit fees to the accounting firm shall be decided by the shareholders' meeting.

When the Company dismisses or does not renew the appointment of an accounting firm, it shall notify the auditing firm 30 days in advance, and the accounting firm shall be allowed to state its opinion when the shareholders' meeting of the Company votes on the dismissal of the accounting firm.

If the accounting firm proposes to resign, it shall explain to the shareholders' meeting whether there is any improper circumstance in the Company.

**O. Merger, Division, Increase and Decrease of Capital of the Company**

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

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment of a new company refers to the establishment of a new company by merging two or more companies, whereby the merger parties shall be dissolved.

When a company merges with another company in which it holds 90% or more of the shares, the company being merged is not required to submit the merger to a resolution of the shareholders' meeting, but it shall notify the other shareholders, and the other shareholders shall have the right to request the company to repurchase their equity or shares at a reasonable price. If the payment for a merger to be made by a company does not exceed 10% of its net assets, a resolution of the shareholders' meeting is not required for the merger. In cases where a merger is not subject to a resolution of the shareholders' meeting according to the above provisions, it shall be considered and approved by more than two-thirds of the board of directors.

In the event of a merger of the Company, 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 10 days of the date of the merger resolution and shall publish an announcement on the public newspaper or on the national enterprise credit information publicity system within 30 days of the date of the merger resolution. Creditors may, within 30 days after receipt of such notice, or within 45 days of the date of the first announcement for those who do not receive notice, to demand that the Company settle their debts or to provide corresponding guarantees.

In case of the merger of the Company, claims and liabilities of parties to the merger shall be taken over by the company subsisting after the merger or the newly established company.

In the event of a split of the Company, its assets shall be split up accordingly and the Company shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days of the date of the split agreement and shall publish an announcement on the public newspaper or on the national enterprise credit information publicity system within 30 days of the date of the split agreement.

Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the split, but debts incurred by the Company before its split shall be borne jointly and severally by the company established after the split.

Based on the operating and developmental needs of the Company and in accordance with the requirements of the laws and regulations, the Company may, with special resolution of the shareholders' meeting, increase registered capital of the Company by ways of capitalise from capital reserves etc.

If the Company is required to reduce its registered capital, it must prepare a balance sheet and list of properties.

The Company shall notify its creditors within 10 days as of the date of the resolution for capital reduction and shall publish an announcement on newspaper above the provincial level within 30 days. The creditors may, within 30 days since the date of receiving a notice or within 45 days since the date of the first announcement for those who have not received a notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

When the Company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by the law or the Articles.

After the Company covers losses with its reserve fund as provided in the Company Law and the Articles, if there are still losses, the company may decrease its registered capital to make up for the losses. In the case of decreasing the registered capital to make up for losses, the company shall not distribute profits to shareholders or exempt shareholders from the obligation to pay contributions or share capital.

In the case of a decrease in registered capital pursuant to the above provisions, the second provision of the above shall not apply, but a public announcement shall be made through a public newspaper or the National Enterprise Credit Information Publicity System within 30 days of adopting the resolution on the decrease in registered capital by the shareholders' meeting.

After a company decreases its registered capital as provided in the preceding two provisions, profits shall not be distributed until the aggregate amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

In cases where a decrease in the Company's registered capital violates the provisions, shareholders shall return the funds received, and any decrease in shareholders' contributions shall be reinstated; if any losses are caused thereby to the Company, shareholders, as well as any directors, supervisors, and senior officers responsible for the violation, shall be liable for compensation.

When the Company issues new shares for increasing its registered capital, shareholders shall have no pre-emptive rights, unless otherwise provided in the Articles or where the resolution of shareholders' meetings decides that shareholders are entitled to pre-emptive rights.

Where the merger or division of the Company results in a change in its registered particulars, such change shall be registered with the company registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

The increase or reduction in the Company's registered capital shall be registered with the company registry according to law.

**P. Dissolution and Liquidation of The Company**

In case of any of the following circumstances, the Company shall dissolve and liquidate:

(I) the term of the Company's operations as is stipulated in the Articles has expired or events of dissolution specified in the Articles have occurred;

(II) the shareholders' meeting resolves to dissolve;

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

(IV) the business licence is revoked, the Company is ordered to close down or be revoked in accordance with the law;

(V) where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the above, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days. Where the Company is dissolved pursuant to items (I) and (II) above and has not distributed any property to shareholders, it may continue to exist by amending the Articles r by a resolution of the shareholders' meeting. Any amendment to the Articles under the above provisions or resolved by the shareholders' meeting must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting. Where the Company is dissolved pursuant to items (I), (II), (IV) or (V) above, it shall be liquidated. The director is the liquidation obligor of the Company, a liquidation team shall be established and the liquidation shall commence within 15 days after the occurrence of the cause of dissolution.

The liquidation team shall be composed of directors, unless otherwise stipulated in the Articles or appointed by a resolution of the shareholders' meeting. If the liquidation obligor fails to fulfill the liquidation obligations in a timely manner, resulting in losses to the Company or its creditors, he/she shall be liable for compensation.

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

(I) to handle the Company's assets and to prepare a balance sheet and an inventory of the assets;

(II) to notify creditors through notice or public announcement;

(III) to deal with the Company's outstanding businesses related to liquidation;

(IV) to pay any tax overdue as well as tax amounts arising from the process of liquidation;

(V) to claim credits and pay off debts;

(VI) to allocate the Company's remaining assets after its debts have been paid off;

(VII) to represent the company in civil lawsuits.

The liquidation team shall notify the company's creditors within 10 days after its establishment and issue announcement in public newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation team within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification.

A creditor shall state all matters relevant to his creditor rights in making his claim and provide evidence. The liquidation team shall register such creditor rights.

The liquidation team shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation team shall draw up a liquidation plan to be submitted to the shareholders' meeting or people's court for confirmation.

The Company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion.

The Company shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation.

The Company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation team becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a bankruptcy liquidation. After the people's court accepts the bankruptcy application of the Company, the liquidation team shall hand over liquidation affairs to the administrator designated by the people's court.

Upon completion of the Company's liquidation, the liquidation team shall submit a liquidation report to the shareholders' meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the Company in order to cancel the Company's registration.

Members of the liquidation team shall fulfill liquidation responsibilities with a duty of loyalty and diligence. Any member of the liquidation team who neglects their liquidation responsibilities and causes losses to the Company shall be liable for compensation. If losses are caused to the Company or the creditor due to intent or gross negligence of the member of the liquidation team, such member shall be liable for compensation.

Liquidation of the Company declared bankruptcy according to laws shall be processed in accordance with the laws on corporate bankruptcy.

## Q. Amendments to the Articles

The Company shall amend the Articles in any of the following circumstances:

(I) after amendments are made to the Company Law or other relevant laws, administrative regulations and the Articles become inconsistent with the said amendments;

(II) if certain changes of the Company occur resulting in inconsistency with certain terms specified in the Articles;

(III) the shareholders' meeting has resolved to amend the Articles.

Where the amendments to the Articles passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

The board of directors shall amend the Articles based on the resolutions passed at the shareholders' meeting and the approval opinions of the relevant competent authorities.

Appendix of the Articles include rules of procedure for shareholders' meetings and rules of procedure for board meetings.