This appendix contains a summary of the main provisions of the Articles of Association of the Company adopted on June 9, 2025, which will take effect from the date of [**REDACTED**] *of H shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.*

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in the form of share certificates.

All shares issued by the Company shall be shares with par value, and each share shall have a par value of RMB1.

The Company shall issue shares in an open, fair and just manner, and each share of the same.

Shares of the same class issued at the same time shall be issued under the same conditions and at the same price per share; subscribers shall pay the same price per share for the shares they subscribe for.

The ordinary shares issued by the Company comprise domestic shares and overseas listed shares (H shares). Domestic shares and overseas listed shares have the same rights in respect of any distribution in the form of dividends (including distributions in cash and in kind) or otherwise.

INCREASE AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

The Company may, based on its business and development needs and in accordance with the laws and regulations, increase its capital in the following manners upon resolutions being adopted by the shareholders' meetings:

(i) issuance of shares to unspecified parties;

(ii) issuance of shares to specified parties;

(iii) distributing bonus shares to its existing shareholders;

(iv) conversion of capital reserve to share capital;

(v) other means required by the laws, administrative regulations and approved by CSRC and Hong Kong Stock Exchange.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations of the PRC, the Listing Rules, other relevant regulations and the Articles of Association.

The Company shall not repurchase its own shares, except in one of the following circumstances:

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

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

(iii) to utilize its shares in employee stock ownership plans or share incentive;

(iv) where the shareholders, who disagree with the resolution in relation to merger or division of the Company made at the shareholders' meeting, require the Company to repurchase the shares held by such shareholders;

(iv) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) to safeguard the value of the Company and the interests of the shareholders when necessary.

The Company may repurchase its shares by open centralized transaction method or other method approved by laws, administrative regulations, the Listing Rules and the CSRC as well as the securities regulatory authorities of the place where the shares of the Company are listed.

The repurchase of the Company's shares under the circumstances of utilizing its shares in employee stock ownership plans or share incentive, using the shares for conversion of corporate bonds issued by the Company which are convertible into shares and safeguarding the value of the Company and the interests of the shareholders when necessary, subject to compliance with the requirements of the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, shall be conducted by way of open and centralized trading.

When the Company repurchases its own shares under any of the circumstances specified in item (i) or (ii) mentioned above, a resolution adopted by shareholders' meeting is required. Where the Company repurchases its own shares pursuant to the provisions of items (iii), (v) and (vi), it shall be resolved by a resolution of a meeting of Board of Director attended by at least two-thirds of the directors in accordance with the provisions of the Company's Articles of Association or the authorization of the shareholders' meeting.

In the event that the Company repurchases its shares under the circumstances set out in item (i) thereof, the shares shall be cancelled within 10 days after the date of repurchase; where it falls under the circumstances set out in item (ii) or (iv) thereof, the shares shall be transferred or cancelled within 6 months, where it falls under the circumstances set out in items (iii), (v) and (vi) thereof, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within three years.

TRANSFER OF SHARES

Shares of the Company shall be transferred in accordance with the law.

The shares of the Company issued before public offering shall not be transferred for one year from the date on which the Company's shares are listed and traded on a stock exchange.

The Directors, Supervisors and senior officers of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of the total number of their shares of the same class in the Company per annum during their terms of office as determined when they take office. The shares of the Company they hold shall not be transferred within one year from the date when the Company's shares are listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

If there are other provisions on the transfer restrictions of shares in laws, regulations or rules of CSRC, such provisions shall prevail.

SHAREHOLDERS

The Company shall establish a register of members in accordance with certificates from the securities registration and clearing organization. The register of members is sufficient evidence of the shareholders' shareholdings in the Company. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The transfer and assignment of shares shall be registered in the register of members. In respect of the register of shareholders of overseas-listed H shares, the original register of members of shares listed in the Hong Kong Stock Exchange shall be maintained in Hong Kong.

The shareholders of the Company shall enjoy the following rights:

(i) the right to receive dividends and other distributions in proportion to their shareholdings;

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

(iii) the right to supervise the Company's business operations, to present proposals and to raise enquiries;

(iv) the right to transfer, give as a gift or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;

(v) the right to inspect and duplicate the Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of Board meetings, resolutions of Board of Supervisors and financial accounting reports, qualified shareholders shall have the right to inspect the company's accounting books and accounting vouchers;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion to the shareholdings;

(vii) for shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

(viii) other rights under laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

The controlling shareholder or the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchanges to protect the interests of the listed company.

Where the controlling shareholders and de facto controllers of the Company do not act as directors but actually carry out the Company's affairs, the provisions of the Articles of Association on fiduciary and diligence obligations of directors shall apply.

SHAREHOLDERS' MEETINGS

The shareholders' meeting shall consist of all shareholders. The shareholders' meeting shall be the authority of power of the Company and shall exercise the following functions and powers in accordance with laws:

(i) to elect and change Directors and Supervisors, and decide on the remunerations of Directors and Supervisors;

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

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

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

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

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

(vii) to amend the Articles of Association;

(viii) to resolve on the Company's appointment or dismissal of accounting firms that provide audit service to the Company;

(ix) to consider and approve the guarantees which shall be approved at the shareholders' meeting;

(x) to consider the purchase or sale of significant assets by the company within one year that exceed 30% of the company's latest audited total assets;

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

(xii) to consider share incentive schemes and employee stock ownership plans;

(xiii) to consider other matters which shall be resolved at the shareholders' meeting in accordance with laws, administrative regulations, departmental rules or the Articles of Association.

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

Shareholders' meetings consist of annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year within six months after the end of the previous accounting year.

The Company shall convene an extraordinary shareholders' meeting within two months upon occurrence of the following events:

(i) when the number of Directors falls below the minimum requirement of the Company Law, or is less than two thirds of the number specified by the Articles of Association;

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

(iii) when shareholder(s) severally or jointly holding at least ten percent of the Company's shares request(s) to convene such meeting (including preferred shares with resumed voting rights);

(iv) when the Board considers necessary;

(v) when the Supervisory Committee proposes to convene such meeting; and

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Rules and the listing rules of the places where the shares of the Company are listed or the Articles of Association.

CONVENING OF SHAREHOLDERS' MEETINGS

Shareholders' meeting shall be convened by the Board of Directors within the prescribed period.

Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, provided that such a proposal is agreed to by a majority of all independent directors. For the aforesaid proposal, the Board of Directors shall, in accordance with laws, administrative regulations, the Listing Rules, the Articles of Association and other regulations where the shares of the Company are listed, give a written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within 10 days of receipt of the proposal. Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it will send out a notice thereon within 5 days after the relevant resolution of the Board of Directors is made. If the Board of Directors does not agree to hold an extraordinary shareholders' meeting, it shall state reasons.

The Supervisory Committee may propose to the Board of Directors to hold an extraordinary shareholders' meeting and shall put forward the proposal to the Board of Directors in written form. The Board of Directors shall, in accordance with laws, administrative regulations, the Listing Rules, other regulations where the shares of the Company are listed and the Articles of Association, give a written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within 10 days of receipt of the proposal.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall send out a notice thereon within 5 days after the relevant resolution of the Board of Directors is made; any change to the original proposal in the notice is subject to the consent of the Supervisory Committee. In case the Board of Directors refuses to convene an extraordinary shareholders' meeting, or does not give any response within 10 days upon receipt of the proposal, the Board of Directors shall be deemed to be unable or have failed to perform its duty to convene the shareholders' meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Shareholder(s) severally or jointly holding at least 10% of the shares of the Company, including preferred shares with resumed voting rights, shall be entitled to request the Board to convene an extraordinary shareholders' meeting, and shall put forward such request to the Board in written form. The Board shall, in accordance with laws, administrative regulations, the Listing Rules, other regulations where the shares of the Company are listed and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary shareholders' meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.

If the Board of Directors does not agree to convene such meeting, or fails to give a response within 10 days after receipt of the request, shareholders holding at least 10% of the shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate shall have the right to propose to the Supervisory Committee to convene an extraordinary shareholders' meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after receipt of the request and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.

If the Supervisory Committee fails to issue a notice convening the shareholders' meeting by the prescribed period, the Supervisory Committee shall be deemed to refuse to convene and preside over such meeting, and shareholders holding at least 10% of the shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.

PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS

The proposals put forward to the shareholders' meetings shall fall within the scope of functions and powers of the shareholders' meeting, have clear issues for discussion and specific matters to be resolved, and comply with the laws, administrative regulations, the Listing Rules, other regulations where the shares of the Company are listed and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Supervisory Committee and shareholders holding 1% or more of the shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate shall be entitled to put forward proposals to the Company.

Shareholders individually or jointly holding 1% or more of the shares of the Company (including preferred shares with resumed voting rights) may submit ad hoc proposals to the convener of a shareholders' meeting in writing ten days prior to shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting to announce the information of such ad hoc proposals within 2 days after receipt thereof, and submit such proposals to the shareholders' meetings.

Except as provided in the preceding paragraph, the convener of a shareholders' meeting shall not amend the proposals set out in the notice of the shareholders' meeting or put up any new proposals after the issuance of the notice of the shareholders' meeting.

The Company shall convene an annual shareholders' meeting by notifying the shareholders in writing 20 days prior to the meeting and an extraordinary shareholders' meeting by notifying the shareholders in writing 15 days prior to the meeting.

When calculating the time limit of the notice, the date of the shareholders' meeting convened shall not be included but the issue date of such notice shall be included.

After the notice of the shareholders' meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convenor shall make an supplementary notice at least two working days prior to the original date of the convening and state the reasons therefor.

HOLDING OF SHAREHOLDERS' MEETINGS

All ordinary shareholders (including preferred shareholders with resumed voting rights) and preferred shareholders with weighted voting rights registered on the record date or their proxies shall be entitled to attend the shareholders' meeting. They shall exercise their voting rights in accordance with the relevant laws and regulations, listing rules of the places where the shares of the Company are listed and the Articles of Association of the Company.

Shareholder may attend the shareholders' meeting in person, or appoint a proxy to attend and vote on his/her behalf.

A shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to discharge his/her duties, half or more of the directors shall designate a director to preside over the meeting.

If a shareholders' meeting is convened by the Supervisory Committee, the chairman of the Supervisory Committee shall preside over the meeting. If the chairman of the Supervisory Committee is unable or fails to discharge his/her duties, half or more of the supervisors shall designate a supervisor to preside over the meeting.

If a shareholders' meeting is convened by the shareholders themselves, the convener or a representative nominated by the convener shall preside over the meeting.

When a shareholders' meeting is convened, if the presider of the meeting contravenes the rules of procedure, rendering the meeting impossible to proceed, with the consent from more than half of the attending shareholders with voting rights, one person may be nominated at the shareholders' meeting to serve as the presider and the meeting may proceed.

Individual shareholders attending a shareholders' meeting in person shall produce their identity cards or other valid proof or evidence of their identities, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend the shareholders' meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization issued by such legal representatives according to the laws.

VOTING AND RESOLUTIONS AT SHAREHOLDERS' MEETINGS

Resolutions of the shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

Ordinary resolution at a shareholders' meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting. Special resolution at a shareholders' meeting shall be adopted by at least two thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.

The following matters shall be resolved by way of ordinary resolutions at a shareholders' meeting:

(i) the work reports of the Board of Directors and the Supervisory Committee;

(ii) the profit distribution plans and plans for making up losses drafted by the Board of Directors;

(iii) the dismissal and remuneration of the members of the Board of Directors and the Supervisory Committee and the method of payment of the remuneration;

(iv) to resolve on the Company's appointment or dismissal of accounting firms that provide audit service to the Company;

(v) to consider and approve the transactions, financial assistance and guarantees which shall be approved at the shareholders' meeting;

(vi) to consider the connected transactions which shall be approved at the shareholders' meeting according to the Company's connected transactions policies;

(vii) to resolve on the issuance of the corporate bond;

(viii) the matters other than those that laws, administrative regulations, the Listing Rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association require to be adopted by special resolution.

The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

(i) increase or reduction of the registered capital of the Company;

(ii) division, merger, dissolution, liquidation and change of corporate form of the Company;

(iii) amendments of the Articles of Association;

(iv) purchase or disposal of major assets or guarantee of the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;

(v) share incentive schemes;

(vi) other matters as required by laws, administrative regulations, the Listing Rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a shareholders' meeting, will have a material impact on the Company and need to be approved by way of special resolutions.

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share, except for preferred shareholders with weighted voting rights.

Shares in 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 present at a shareholders' meeting.

When the shareholders' meeting considers matters relating to a connected transaction, the connected shareholders shall not participate in the vote, and the number of voting shares represented by them shall not be counted in the total number of valid voting shares. The resolution of the shareholders' meeting shall fully disclose the voting by the unconnected shareholders.

DIRECTORS AND BOARD OF DIRECTORS

Directors shall be elected or replaced by the shareholders' meeting, and may further be removed from their office prior to the conclusion of the term thereof by the shareholders' meeting. Directors shall have a term of three years, renewable upon expiry if re-elected. The term of office of independent Directors is the same as other Directors, and the term is renewable upon re-election when it expires.

A director's term of office shall commence from the date when he/she takes office and end upon expiry of the term of the current session of the Board of Directors. The existing director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association after the expiry of his/her term if no re-election is held in time.

Senior management members may serve as directors concurrently, provided that the aggregate number of directors concurrently serving as senior management members, together with directors who are employee representatives may not exceed 50% of the total number of directors of the company.

One of the directors shall be employee representative.

The Company shall have a Board of Directors which shall be accountable to the shareholders' meeting.

The Board of Directors is composed of nine directors, including four independent directors. It shall have one chairman elected by more than half of all the directors on the board of directors.

The Board shall exercise the following powers and duties:

(i) to convene a shareholders' meeting and report its work to such meeting;

(ii) to implement the resolutions of a shareholders' meeting;

(iii) to decide on the operation plans and investment plans for the Company;

(iv) to prepare the Company's profit distribution plans and loss recovery plans;

(v) to prepare the plan for the Company to increase or reduce its registered capital, issue bonds or other securities and listing plans;

(vi) to prepare plans of the Company with respect to material acquisitions and acquisitions of the Company's shares or merger, division, dissolution or change in the form of the Company;

(vii) within the scope of authorization by the shareholders' meeting, to decide on matters such as outbound investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations;

(viii) to decide on the establishment of the internal organizations;

(ix) to decide to appoint or remove the general manager, secretary of the Board and other senior management of the Company, and decide on the remunerations and rewards and punishments thereof; to decide to appoint or remove the deputy general manager, financial controller and other senior management members of the Company nominated by the general manager, and decide on the remunerations and rewards and punishments thereof;

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

(xi) to prepare plans to amend the Articles of Association;

(xii) to manage the disclosure of information of the Company;

(xiii) to propose to the shareholders' meeting with respect to the appointment or replacement of the accounting firm for the audit of the Company;

(xiv) to receive the work report of the general manager of the Company and examine such work;

(xvi) to exercise any other duties and powers specified in laws, administrative regulations, departmental rules, the Listing Rules and the listing rules of the places where the shares of the Company are listed or the Articles of Association, or authorized by shareholders' meeting.

A director shall not enter into contracts with the Company or carry out transactions with the Company in violation of the provisions of the Articles of Association of the Company or without the consent of shareholders or a shareholders' meeting.

The Board of Directors of the Company shall establish strategy, nomination, remuneration and appraisal committee to perform duties pursuant to the Articles of Association and the authorization of the Board of Directors. The proposal of each special committee shall be submitted to the Board of Directors for deliberation and decision. The Board of Directors is responsible for formulating the rules of procedure and work protocols of the special committees.

SECRETARY TO THE BOARD

The company shall have a secretary of the Board of Directors. The secretary of the Board is a senior management member of the Company. The secretary of the Board of Directors shall comply with laws, regulations, departmental rules and relevant provisions of the Articles of Association.

The Company may appoint a securities representative to assist the secretary of the Board of Directors in the performance of his or her duties; in the event that the secretary of the Board of Directors is unable to perform his or her duties, the securities representative shall exercise his or her rights and perform his or her duties.

The Secretary of the Board of Directors is responsible for the preparation of the shareholders' meeting and the meeting of the Board of Directors, the custody of meeting minutes and documents, the management of shareholder information, information disclosure and other daily affairs.

SUPERVISORY COMMITTEE

The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of three supervisors. A supervisory chairman will be appointed by election by all supervisors in a majority vote. The chairman of the Supervisory Committee shall convene and preside over a meeting of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor selected by no less than one half of all supervisors shall convene and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall consist of two shareholder representatives and one employee representative. The employee representative of the Supervisory Committee shall be elected by employees of the Company at the employee representatives' meeting or otherwise democratically.

The directors, the general manager and the senior management officers of the Company shall not act concurrently as supervisors, nor shall their spouses or immediate family members. The number of Supervisors who have served as directors or senior management officers within the last two years shall not exceed one-half of the total number of Supervisors of the Company.

The term of office of a supervisor shall be 3 years. The supervisors are renewable upon re-election and re-appointment.

The Supervisory Committee shall exercise the following duties and powers:

(i) to review the regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;

(ii) to review the financial position of the Company;

(iii) to supervise the performance of Directors and senior management members of their duties to the Company, and propose dismissal of Directors and senior management members that have violated the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' meetings;

(iv) to demand rectification by Directors and senior management members when the acts of such persons are prejudicial to the Company's interest;

(v) to propose the convening of an extraordinary shareholders' meeting, and to convene and preside over the shareholders' meeting when the Board fails to perform such duties as specified by the Company Law;

(vi) to put forward proposals to shareholders' meetings;

(vii) to initiate litigations against Directors and senior management member in accordance with provisions of Article 189 of the Company Law;

(viii) to initiate investigations into any irregularities identified in the operation of the Company and, where necessary, may engage an accounting firm, a law firm and other professional institutions to assist their work at the Company's expense;

(ix) to require directors and senior management to submit reports on the execution of their duties; and

(x) to exercise any other duties and powers specified in the Articles of Association or authorized by the shareholders' meeting.

The Supervisory Committee meets at least once every six months. The Supervisory Committee may convene an interim meeting within 5 days when the supervisory chairman receive the proposal to convene it.

Resolutions of the Supervisory Committee shall be passed by a majority of all supervisors.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have several vice general managers, who shall be appointed or dismissed by the Board of Directors.

The Company's general manager, vice general manager, the chief financial officer, the secretary of the Board of Directors and any other person appointed by the Board of Directors as senior management officer are members of the senior management of the Company.

The general manager serves for a term of three years, subject to re-appointment upon the expiry of the term.

The general manager shall report to the Board and have the following duties and powers:

(i) to take charge of the production operations and management tasks of the Company and organize the implementation of the Board's resolutions, and to report work to the Board;

(ii) to organize the implementation of the Company's annual operating plan and investment plan;

(iii) to devise the set-up of the Company's internal management structure;

(iv) to devise the basic management policy of the Company;

(v) to formulate the specific rules of the Company;

(vi) to propose the appointment or dismissal of deputy managers and financial officers of the Company;

(vii) to appoint or dismiss management officers, aside from those requiring the Board to decide the appointment or removal;

(viii) other duties as granted by the Company's Articles of Association or the Board.

The general manager shall attend the board meetings.

FINANCIAL AND ACCOUNTING SYSTEM

The company formulates its financial and accounting system in accordance with laws, administrative regulations and rules of relevant national departments. If there are other provisions in the Listing Rules or the securities regulatory authorities of the place where the company's stocks are listed, such provisions shall apply.

The financial and accounting reports are prepared in accordance with relevant laws, administrative regulations, departmental rules, the Listing Rules and other securities regulatory rules of the company's stock listing location.

The company will not establish separate accounting books except for statutory accounting books. The assets of the company shall not be stored in any individual's account.

PROFIT ALLOCATION

The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' meeting.

After making up for the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings, except it is stipulated in the Articles of Association of the Company that profit distributions shall not be made in accordance with the shareholding proportion.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved for the following reasons:

(i) expiry of the business term as specified by the Articles of Association or any circumstances for dissolution specified in the Articles of Association arise;

(ii) the shareholders' meeting has resolved to dissolve the Company;

(iii) the merger or division of the Company requires a dissolution;

(iv) the business license is revoked, or the Company is ordered to close down or is dissolved according to laws; and

(v) if the Company suffers significant hardship in its operation and management, and the ongoing existence would bring significant losses for shareholders that cannot be resolved through other means, the shareholders holding at least ten percent of the total voting rights of the Company may request the People's Court to dissolve the Company.

In the case of item (i) (ii) mentioned above, provided that no distribution of properties have been made to the shareholder, the Company may survive by amending the Articles of Association or approved by shareholders' resolutions. Such resolutions shall be approved by more than two-thirds of the voting rights represented by the shareholders present at the shareholders' meeting.

Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) above, the Company shall liquidate. Directors shall be the liquidation obligors, and shall establish a liquidation group to commence liquidation within fifteen days upon the occurrence of the circumstances for dissolution. The liquidation group shall consist of directors, unless otherwise provided in the Articles of Association or as resolved by a shareholders' meeting to elect others.

The liquidation group shall exercise the following functions and power during the period of liquidation:

(i) liquidating the properties of the Company, and preparing the balance sheets and asset checklists separately;

(ii) informing creditors by a notice or public announcement;

(iii) disposing of and liquidating the unfinished businesses of the Company;

(iv) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;

(v) clearing off credits and debts;

(vi) disposing of the residual properties after settling such debt; and

(vii) participating in the civil litigation on behalf of the Company.

The liquidation group shall, within ten days of its formation, notify the creditors, and shall, within 60 days, make public announcements in a newspaper or the National Enterprise Credit Information Publication System. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation group.

After the liquidation group has liquidated the properties of the Company and has prepared the balance sheets and checklists of properties, it shall prepare a plan of liquidation, and report it to the shareholders' meeting or the People's Court for confirmation.

The remaining assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the ratios of shareholding of the shareholders.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

AMENDMENT TO ARTICLES OF ASSOCIATION

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

(i) after amendment has been made to the Company Law, the relevant laws, administrative regulations or the Listing Rules, the contents of the Articles of Association have conflict with the amended laws, administrative regulations or the Listing Rules;

(ii) the changes that the Company have undergone are not in consistence with the records made in the Articles of Association; and

(iii) the shareholders' meeting decides that the Article of Association should be amended.