
APPENDIX IV SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides [REDACTED] with a summary of the Articles of Association.

The following information is only a summary and may not include all the materials that may be important to potential [REDACTED].

ISSUANCE OF SHARES

The Company’s shares are in the form of stock.

The issuance of the Company’s shares follows the principles of openness, fairness, and justice. Each share of the same class shall have equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by any entity or individual shall be paid for at the same consideration.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Capital

The Company may increase its registered capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders’ meeting:

- (i) Issuing shares to non-specific objects;
- (ii) Issuing shares to specific objects;
- (iii) Distributing bonus shares to existing shareholders;
- (iv) Converting capital reserve into share capital;
- (v) Other means stipulated by the laws, administrative regulations or stipulated by the CSRC.

The Company may decrease its registered capital. The decrease of the Company’s registered capital shall be carried out in accordance with the procedures stipulated in the Company Law, other relevant regulations and the Articles of Association.

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Repurchase of Shares

The Company shall not repurchase its shares, save as under one of the following the circumstances:

- (i) To reduce the Company's registered capital;
- (ii) To merge with another company holding the Company's shares;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;
- (v) To use the shares for converting corporate bonds issued by the Company into shares;
- (vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.

The Company may repurchase its shares by an open centralized transaction method or other methods as permitted by laws, regulations, and the CSRC.

The Company's repurchase of its own shares under the circumstances as stipulated in items (iii), (v), or (vi) of the preceding paragraph shall be conducted by an open centralized transaction method.

The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the Articles of Association or as authorized by the Shareholders' Meeting.

After the acquisition of the Company's shares, the Company shall fulfill its information disclosure obligations in accordance with the Securities Law and the regulations of the stock exchange of the place where the Company's shares are listed, and other securities regulatory rules.

After the Company repurchases its own shares pursuant to the preceding provision, if it falls under item (i), the shares shall be canceled within 10 days from the date of repurchase; if it falls under items (ii) or (iv), the shares shall be transferred or canceled within 6 months; if it falls under items (iii), (v), or (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and the shares shall be transferred or canceled within 3 years.

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Transfer of Shares

The Company’s shares shall be transferred in accordance with the law.

All H shares shall be transferred by an instrument in writing in any usual or common form or any other form which the Board accepts (including the standard form of transfer or transfer form as required by the Hong Kong Stock Exchange from time to time). Such a transfer document may only be signed by hand or stamped with the Company’s valid seal (where the transferor or transferee is a corporation). Where the transferor or transferee is a recognized clearing house (“**recognized clearing house**”) as defined under the relevant regulations in force from time to time under the laws of Hong Kong, or its nominee, the transfer document may be signed by hand or by machine imprint. All transfer documents shall be maintained at the legal address of the Company or such places as the Board may designate from time to time.

The Company does not accept its own shares as the collateral of pledge.

No transfer of the shares of the Company issued before its public offering of A shares shall be made within 1 year from the date on which the A shares of the Company are listed and traded on the stock exchange.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office as determined at the time of their assumption of office, they shall not transfer more than 25% of the total number of shares of the same class they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company’s shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions. If listing rules of the stock exchange of the place(s) where the shares of the Company are listed provide otherwise on restrictions on transfers of shares, such rules shall prevail.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

General Provisions on Shareholders

The Company shall keep a register of Shareholders according to the evidence provided by the share registrars. The register of Shareholders shall be the sufficient evidence of the Shareholders’ shareholding in the Company. The original register of shareholders of H shares shall be kept in Hong Kong and made available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with the applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed. Shareholders have rights and assume obligations in proportion to the class of shares they hold; Shareholders who hold the same class of shares shall enjoy equal rights and assume the same obligations.

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Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting in accordance with the law, and exercise corresponding voting rights;
- (iii) To supervise the Company's operations and make suggestions or inquiries;
- (iv) To transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports and accounting books, and the Company's accounting books and accounting vouchers if they meet the requirements;
- (vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;
- (viii) Other rights stipulated in laws, administrative regulations, regulations of the Authorities or the Articles of Association.

If Shareholders request to read or copy the relevant materials of the Company, they shall abide by the provisions of laws and administrative regulations, such as the Company Law and the Securities Law.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, Shareholders have the right to request the people's court to determine the invalidity of the resolutions.

If the procedures for convening the Shareholders' meeting or the Board of Directors, or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, Shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

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A resolution of the Shareholders' meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

- (i) No Shareholders' meeting or Board meeting has been convened to pass the resolution;
- (ii) The resolution matter is not voted on at the Shareholders' meeting or Board meeting;
- (iii) The number of attendees or voting rights held by such attendees did not reach the number of attendees or voting rights held by such attendees as required by the Company Law or the Articles of Association;
- (iv) The number of persons or the voting rights held by them agreeing to the resolution matter did not reach the number of persons or the voting rights held by them as required by the Company Law or the Articles of Association.

If directors and senior management personnel (other than the members of the Audit Committee) cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during the performance of their duties, Shareholders who hold more than 1%, individually or jointly, of the Company's Shares for more than 180 days continuously, have the right to request the Audit Committee in written form to bring a suit to the People's Court; if members of the Audit Committee cause losses to the Company for violation of the requirements of laws, administrative regulations or the Articles of Association during the performance of their duties, the aforesaid Shareholders can request the Board in written form to bring a suit to the People's Court.

In the event that the Audit Committee or the Board of Directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date of receiving such request, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, the shareholders described in the preceding paragraph shall have the right to for the benefit of the Company bring a suit to the people's court directly in their own names.

If others infringe on the legitimate rights and interests of the Company and cause losses to it, Shareholders who hold more than 1%, individually or jointly, of the Company's Shares for more than 180 days continuously can bring a suit to the People's Court as per the regulations as set out in the preceding paragraphs.

If directors and senior management members cause damage to the Shareholders' interests for violation of the requirements of laws, administrative regulations or the Articles of Association, Shareholders can bring a suit to the People's Court.

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Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, and the Articles of Association;
- (ii) To pay the share price according to the shares they subscribe for and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated in laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;
- (v) Other obligations stipulated in laws, administrative regulations, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

The Company's Controlling Shareholder and actual controller shall exercise his rights and fulfill his obligations in accordance with laws, administrative regulations, and the regulatory rules of the CSRC and the stock exchange, and shall safeguard the interests of the Company.

The Company's Controlling Shareholder and actual controller shall exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders.

General Provisions on Shareholders' Meeting

The Shareholders' meeting of the Company is composed of all Shareholders. The Shareholders' meeting is the organ of the authority of the Company, which exercises its functions and powers in accordance with the laws:

- (i) To elect and replace directors, and decide on matters concerning directors' remuneration;
- (ii) To examine and approve the report of the Board of Directors;
- (iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

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- (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;
- (vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To make resolutions on the appointment and removal of an auditor engaged in the audit work of the Company;
- (ix) To examine and approve the guarantee matters stipulated in the Articles of Association;
- (x) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;
- (xi) To review and approve other transactions, external investments, and provision of financial assistance to external parties that exceed the authority of the Company's Board of Directors;
- (xii) To examine and approve equity incentive plans and employee stock ownership plans;
- (xiii) To examine and approve changes in the use of raised funds;
- (xiv) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated in laws, administrative regulations, departmental rules, or the Articles of Association.

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

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within 6 months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within 2 months from the date of occurrence:

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

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- (ii) When the Company's unrecovered losses reach one-third of the total share capital;
- (iii) When shareholders who individually or jointly hold more than 10% of the Company's shares request it;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene;
- (vi) Other circumstances stipulated in laws, administrative regulations, departmental rules or the Articles of Association.

The number of shares held in the case of (iii) above shall be calculated as of the date when the shareholder makes a written request; however, before the resolution of the Company's Shareholders' meeting is passed, the total number of the Company's shares held by the aforementioned shareholders individually or collectively shall never be less than 10% of the total number of the Company's voting shares; if it is less than 10%, the resolution made by this temporary Shareholders' meeting shall be invalid.

If the extraordinary Shareholders' meeting is convened in accordance with the regulations of the securities regulatory rules of the stock exchange where the company's shares are listed, the actual date of the meeting can be adjusted based on the approval progress of the stock exchange where the company's shares are listed.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit as stipulated in the Articles of Association.

With the approval by a majority of all independent Directors, an independent Director has the right to propose to the Board to convene an extraordinary Shareholder's meeting. In respect to the proposal by the independent Director for convening an extraordinary Shareholder's meeting, the Board of Directors shall provide a written feedback regarding the acceptance or refusal to convene an extraordinary Shareholder's meeting within 10 days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association. Where the Board of Directors agrees to convene an extraordinary Shareholder's meeting, a notice for convening such meeting shall be given within 5 days after the Board resolution is passed; where the Board disagrees to convene an extraordinary Shareholder's meeting, it shall give its reasons and make an announcement.

The Audit Committee shall propose in writing to the Board to convene an extraordinary Shareholders' meeting. The Board of Directors shall provide a written feedback regarding the acceptance or refusal to convene an extraordinary Shareholder's meeting within 10 days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

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If the Board of Directors agrees to convene an extraordinary Shareholders’ meeting, it shall issue a notice of the Shareholders’ meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary Shareholders’ meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders’ meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company’s shares have the right to request the Board of Directors to convene an extraordinary Shareholders’ meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders’ meeting.

If the Board of Directors agrees to convene an extraordinary Shareholders’ meeting, it shall issue a notice convening the extraordinary Shareholders’ meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary Shareholders’ meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company’s shares have the right to propose to the Audit Committee to convene an extraordinary Shareholders’ meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary Shareholders’ meeting, it shall issue a notice of convening Shareholders’ meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee fails to issue the notice of the Shareholders’ meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders’ meeting, and shareholders holding more than 10% of the Company’s shares separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

Before the announcement of the Shareholders’ meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10%.

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Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with laws, administrative regulations, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, Audit Committee, and shareholders individually or jointly holding more than 1% of the Company's shares have the right to propose proposals to the Company, except as otherwise provided in the Articles of Association.

Shareholders individually or jointly holding more than 1% of the Shares of the Company may submit written provisional proposals to the convener 10 days before the Shareholders' meeting is convened. The convener shall serve a supplemental notice of the Shareholders' meeting within 2 days after receipt of the proposals and announce the contents of the said provisional proposals, and submit the provisional proposals to the Shareholders' meeting for consideration. However, provisional proposals that violate laws, administrative regulations, or the Articles of Association, or that do not fall within the scope of authority of the Shareholders' meeting, shall be excluded.

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

The convener shall notify all shareholders by way of announcement 20 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting.

The notice of the Shareholders' meeting shall include the following contents:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;
- (iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the Shareholders' meeting;
- (v) The name and telephone number of the standing contact person for the meeting;
- (vi) The time and procedure for voting by network or other means.

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After the notice of the Shareholders' meeting is issued, the meeting shall not be postponed or canceled without justifiable reasons, and the proposals listed in the notice shall not be cancelled. Should postponement or cancellation occur, the convener shall announce the change and provide reasons at least 2 business days prior to the originally scheduled date.

If a Shareholders' meeting is postponed, the record date shall remain unchanged as originally specified in the notice of the Shareholders' meeting. Furthermore, the date of the rescheduled in-person meeting must still comply with the requirement that the interval between the record date and the meeting date shall not exceed 7 business days.

Convening of the Shareholders' Meeting

The Board of the Company and other conveners may take necessary measures to maintain the normal order of the Shareholders' meeting. They shall adopt measures to stop any acts from interfering with the Shareholders' meeting, creating quarrels and nuisance, and infringing the lawful interests of the Shareholders, and timely report such acts to the relevant authorities for investigation.

All shareholders in the shareholders' register on the equity registration date or proxies thereof shall be entitled to attend general meetings, and exercise voting rights pursuant to relevant laws, regulations and the Articles of Association.

Shareholders may attend a Shareholders' meeting in person or entrust a proxy to attend and vote on their behalf.

If a shareholders' meeting requires the attendance of directors or senior management, the directors or senior management shall do so and answer shareholders' inquiries. Under the premise of complying with the securities regulatory rules of the place where the Company's shares are listed, the above-mentioned persons may attend or present at the meeting through the Internet, video, telephone or other means with the same effect.

The Shareholders' meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is unable to perform or fails to perform his/her duties, more than half of the directors shall jointly elect a director to preside over such meeting.

A Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable to perform or fails to perform his/her duties, more than half of the members of the Audit Committee shall jointly elect a member to preside over such meeting.

A Shareholders' meeting convened by shareholders themselves shall be presided over by a representative elected by the convener.

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When the shareholders’ meeting is being held, if the meeting cannot continue due to the meeting presider’s violation of the procedural rules, the shareholders’ meeting may, subject to the consent of shareholders who hold more than half of the voting rights represented at the live shareholders’ meeting, elect someone to act as the meeting presider, following which the meeting may continue.

Voting and Resolutions at the Shareholders’ Meeting

Resolutions of the Shareholders’ meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the Shareholders’ meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. A special resolution of the Shareholders’ meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The following matters shall be passed by the Shareholders’ meeting as ordinary resolutions:

- (i) The work report of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of members of the Board of Directors and their remuneration and payment methods;
- (iv) Other matters other than those required by laws, administrative regulations or the Articles of Association to be adopted by special resolutions.

The following matters shall be passed by the Shareholders’ meeting as special resolutions:

- (i) The increase or decrease of the Company’s registered capital;
- (ii) The division, spin-off, merger, dissolution, and liquidation of the Company;
- (iii) Amendments to the Articles of Association;
- (iv) The Company’s purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company’s total assets as of the latest audited financial statements within one year;
- (v) Issuance of shares, convertible corporate bonds, preferred stock and other category of securities recognized by the CSRC;
- (vi) Significant asset reorganization;

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- (vii) Equity incentive plans;
- (viii) Spin-off listing of subsidiaries;
- (ix) Shareholders’ resolution to voluntarily withdraw its shares from listing and trading on the SZSE and cease trading on the exchange, or to apply for trading or transfer on other trading venues;
- (x) Share repurchase for capital reduction;
- (xi) Formulation, adjustment, or amendment of the Company’s profit distribution policy and dividend return plan;
- (xii) Proposals submitted to the Shareholders’ meeting by an acquirer for the purpose of implementing a hostile takeover, concerning the purchase or sale of assets, leasing of assets, donation of assets, related party transactions, external investments (including entrusted financial management, etc.), external guarantees or mortgages, provision of financial assistance, debt or creditor restructuring, execution of management contracts (including entrusted management, commissioned management, etc.), transfer of research and development projects, or execution of licensing agreements;
- (xiii) Other matters required by laws, regulations, stock exchange rules, the Articles of Association, or the rules of procedure for the shareholders’ meeting, and which have been determined by ordinary resolutions at the shareholder’s meeting to have a significant impact on the Company and should be passed by the Shareholders’ meeting as special resolutions.

The proposals referred to in items (viii) and (ix) of the preceding paragraph shall not only be approved by more than two-thirds of the voting rights held by Shareholders present at the Shareholders’ meeting, but also by more than two-thirds of the voting rights held by Shareholders present at the meeting other than directors, senior management members, and Shareholders holding individually or collectively more than 5% of the Company’s shares.

Shareholders shall exercise their voting rights based on the number of voting shares they represent; each share shall have one vote.

When electing or replacing two or more directors at a Shareholders’ meeting, a cumulative voting system shall be adopted. When electing directors at a Shareholders’ meeting, voting for independent directors and non-independent directors shall be conducted separately.

The cumulative voting system, as mentioned above, refers to the system for electing directors in a Shareholders’ meeting where the voting right of each share shall be equal to the number of directors to be elected; the voting right owned by a Shareholder may be used in a centralized manner.

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When a Shareholders' meeting has passed resolutions on the distribution of cash dividends, allotment of new shares or conversion of capital reserve fund into share capital, the Company shall implement the specific proposal within 2 months after conclusion of the Shareholders' meeting. If the specific proposal cannot be implemented within 2 months due to the requirements of laws, regulations and securities regulatory rules of the place where the Company is listed, the implementation date may be adjusted accordingly based on the relevant regulations and the actual situation.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors of the Company are natural persons. Directors must possess the qualifications required by laws, administrative regulations, and rules. Any person falling under any of the following circumstances shall not serve as a director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;
- (vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;
- (vii) Having been publicly determined by the stock exchange as unfit to serve as a director or the member of senior management of listed companies, with the term yet to be expired;

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(viii) Other circumstances stipulated in laws, administrative regulations or departmental rules.

Elections or appointments of directors that violate the provisions of this article shall be invalid. If a director becomes subject to any of the circumstances listed in items (i) to (vi) aforementioned during their term of office, the director shall immediately cease performing their duties, and the Company shall remove them from office in accordance with the relevant provisions. If the circumstances listed in items (vii) and (viii) occur, the Company shall remove them from office within 30 days from the date such circumstances arise, unless otherwise provided by the CSRC and the stock exchange.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by the Shareholders' meeting before the expiration of their term. The term of office for directors is 3 years, and upon the expiration of their term, they may be re-elected.

The term of a director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the directors are not timely re-elected upon the expiration of their term, the original directors shall continue to perform their duties as directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected directors assume office.

A director may also hold the position of senior management positions, but the total number of directors who also serve as senior management positions, as well as directors who are employee representatives, shall not exceed half of the total number of directors of the Company.

The directors shall comply with laws, administrative regulations and the Articles of Association and shall faithfully perform their obligations to the Company. The directors shall take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits.

The directors shall fulfill the following fiduciary obligations towards the Company:

- (i) Not to misappropriate the properties of the Company and embezzle funds of the Company;
- (ii) Not to deposit any assets or money of the Company in any accounts under their names or in the names of other persons;
- (iii) Not to abuse their rights to accept bribes or other illegal income;
- (iv) Not to enter into any contract or perform any transaction, directly or indirectly, with the Company without reporting to the Board or the Shareholders' meeting and obtaining approval through resolutions by the Board or the Shareholders' meeting as stipulated in the Articles of Association;

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- (v) Not to use their position to obtain business opportunities which should be available to the Company for themselves or others, unless having reported to the Board or the Shareholders' meeting and approved by a resolution of the Shareholders' meeting, or except that the Company is unable to utilize such business opportunity according to the provisions of laws, administrative regulations, or the Articles of Association;
- (vi) Not to conduct any businesses similar to those of the Company for themselves or others without reporting to the Board or the Shareholders' meeting and obtaining approval through resolutions by the Shareholders' meeting;
- (vii) Not to accept commissions from transactions between any third party and the Company for their own benefit;
- (viii) Not to disclose the secrets of the Company without consent;
- (ix) Not to use their related relationship to harm the interests of the Company;
- (x) To be bound by other fiduciary obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

The Company shall be entitled to the income gained by the directors in violation of the above article; the director shall be liable for compensation if any loss is caused to the Company.

The provisions of the item (iv) aforementioned shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the directors and senior management or enterprises directly or indirectly controlled by the directors and senior management or their close relatives, as well as related persons who are otherwise related to the directors and senior management.

The directors shall comply with laws, administrative regulations and the Articles of Association to perform their obligations of diligence to the Company. They shall fulfill their obligations with reasonable care generally expected of managers in the best interests of the Company.

The directors shall diligently perform their following obligations to the Company:

- (i) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities comply with laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;
- (ii) to treat all shareholders equally and fairly;
- (iii) to understand the operation and management of the Company in a timely manner;

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- (iv) to approve the regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;
- (v) to provide all relevant information and materials required by the Audit Committee truthfully and shall not intervene in the performance of the Audit Committee of its duties;
- (vi) to perform other obligations of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

A director who fails to attend two consecutive meetings of the Board in person or by proxy shall be deemed unable to perform his/her duties. The Board shall propose to the Shareholders' meeting for removal of such director.

A director may resign before the expiry of his/her term of service. When a director resigns, he/she shall submit a written resignation notice to the Company. The Board shall make disclosure of relevant information within two trading days.

In the event that the resignation of any director during his/her term of office results in the number of members of the Board being less than the statutory minimum requirement, the Company shall complete the election of a replacement within 2 months. Prior to the assumption of office by the newly elected director, the original director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules, normative documents, and the Articles of Association.

In the event that the resignation of any independent director during his/her term of office results in the proportion of independent directors on the Board of Directors or its special committees fail to comply with laws and regulations or the Articles of Association, or there is no accounting professional among the independent directors, the independent director intending to resign shall continue to perform duties until the date when a new independent director is appointed. At the same time, the Company shall complete the replacement within 60 days from the date the independent director submits their resignation, ensuring that the composition of the Board of Directors and its special committees complies with laws, regulations, and the Articles of Association.

Except as provided in the preceding paragraph, the resignation of a director shall take effect upon delivery of the resignation notice to the Board of Directors.

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The Company has a system in place to manage the departure of directors, which specifies safeguards for pursuing and recovering liability for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of office expires, he/she shall duly complete all handover procedures with the Board. His/her duties of loyalty towards the Company and shareholders shall not necessarily cease after the termination of tenure and shall remain valid before his resignation report becomes effective or within 2 years after his resignation report becomes effective, or within 2 years after expiration of his term of office. His/her obligation to keep trade secrets of the Company confidential shall remain effective after his/her resignation or the expiry of his/her term of office until such secrets become public information. The period that other duties shall continue shall be determined according to the principle of fairness, and depending on the length of time lapsed between the event occurred and the termination as well as the circumstances and terms under which his/her relationships with the Company have been terminated. The responsibilities that directors shall bear during their tenure due to the performance of their duties shall not be waived or terminated upon resignation.

The Shareholders' meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made.

The qualifications, nomination and election procedures, powers, and other matters concerning the independent directors of the Company shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and the Articles of Association.

Board of Directors

The Company shall establish a Board which shall be responsible to the general meeting.

The Board of Directors shall consist of 6 to 9 directors, with independent directors constituting at least one-third of the Board. The Board shall have a chairman.

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

- (i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;
- (ii) Implementing the resolutions of the Shareholders' meeting;
- (iii) Deciding on the Company's business plans and investment proposals;
- (iv) Formulating the Company's profit distribution plans and loss recovery plans;
- (v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities and listing;

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- (vi) Subject to compliance with securities regulatory rules of the company's stock listing location, drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;
- (vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the Shareholders' meeting; if such matters involve other laws, administrative regulations, departmental rules, normative documents, or the securities regulatory rules of the company's stock listing location, or other powers granted by these Articles of Association, the provisions thereof shall prevail;
- (viii) Deciding on the establishment of the Company's internal management structure and specialized committees of the Board of Directors;
- (ix) Deciding on the appointment or dismissal of the general manager, secretary of the Board, and determining their remuneration and rewards and punishments; based on the general manager's nomination, deciding on the appointment or dismissal of the executive president, vice presidents, chief financial officer, and other senior management members, and determining their remuneration and rewards and punishments;
- (x) Formulating the Company's basic management systems;
- (xi) Drafting amendments to the Articles of Association;
- (xii) Managing the Company's information disclosure matters;
- (xiii) Proposing to shareholders' meetings the appointment or change of the accounting firm acting as the auditor of the Company;
- (xiv) Listening to the work reports of the general manager and reviewing the general manager's work;
- (xv) In the event of a hostile takeover of the Company, adopt anti-takeover measures as stipulated in the Articles of Association, and measures not stipulated herein but not violating laws, regulations, or the interests of the Company and its Shareholders;
- (xvi) Deciding on the Company's acquisition of its own shares under the circumstances specified in the Articles of Association;
- (xvii) Formulating the Company's equity incentive plan and employee stock ownership plan;
- (xviii) Other powers conferred by laws, administrative regulations, departmental rules, the Articles of Association, or the Shareholders' meeting.

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The Board of Directors shall have one chairman, elected by more than one-half of all directors.

The chairman shall exercise the following functions and powers:

- (i) to preside over the Shareholders' meetings and to convene and preside over the Board meetings;
- (ii) to supervise and examine the implementation of the resolutions of the Board of Directors;
- (iii) in the event of emergency situations such as the occurrence of large-scale natural disasters, to take special steps in handling the Company's business according to laws, regulations and the Company's interest, and to report to the Board of Directors of the Company and the Shareholders' meetings afterwards;
- (iv) to approve matters that, pursuant to the Articles of Association, the rules of procedure of the Board of Directors and Shareholders' meeting, or other relevant provisions, do not meet the threshold of the Board of Directors or Shareholders' meeting;
- (v) to approve the establishment or dissolution of branches of the Company;
- (vi) to approve operational-level organizational restructuring matters that, pursuant to the Articles of Association, the rules of procedure of the Board of Directors and Shareholders' meeting, or other relevant provisions, do not meet the threshold of the Board of Directors or Shareholders' meeting;
- (vii) other powers and duties authorized by the Board of Directors.

Where the chairman is unable to perform his/her duties or fails to perform them, a director shall be jointly elected by more than one-half of the directors to perform the duties on his/her behalf.

The Board of Directors shall convene at least twice annually, with meetings called by the chairman. Written or other forms of notice shall be provided to all directors at least 10 days prior to the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than one-half of the independent directors, or the Audit Committee may propose convening an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over the Board meeting within 10 days of receiving such a proposal.

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If a director has a relationship with the enterprise or individual involved in a board resolution, the director shall promptly report in writing to the Board of Directors. The director with such a relationship shall not vote on the resolution or act as a proxy for another director to vote. The board meeting may proceed with the attendance of more than half of the non-related directors, and resolutions shall require the approval of more than half of the non-related directors. If the number of non-related directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

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 deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, the financial controller, and secretary to the Board of Directors are senior management members of the Company, who shall be appointed or dismissed by the Board of Directors.

The term of office of the general manager shall be 3 years, renewable upon re-appointment.

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

- (i) To be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- (ii) To organize and implement the Company's annual business plan and investment proposals;
- (iii) To draft plans for the establishment of the Company's internal management organizations;
- (iv) To draft the Company's basic management system;
- (v) To formulate specific rules and regulations for the Company;
- (vi) To propose to the Board of Directors on the appointment or dismissal of the Company's senior management members including deputy general managers and chief financial officer;
- (vii) To determine to appoint or dismiss the management personnel except for those who should be appointed or dismissed by the Board of Directors;

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- (viii) To determine to hire and dismiss the Company employees;
- (ix) To determine matters stipulated in the Articles of Association, including external investments, sale and acquisition of assets, provision of financial assistance, leasing or subleasing of assets, entrusting or undertaking asset and business management, donation or acceptance of assets, debt restructuring, signing licensing agreements, and transfer or acquisition of research and development projects, except those requiring deliberation and decision by the Chairman, the Board of Directors, or the Shareholders' meeting;
- (x) Other powers and duties stipulated in the Articles of Association or delegated by the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

The Company shall appoint a board secretary responsible for preparing Shareholders' meetings and Board meetings, maintaining documents, managing shareholder information, handling information disclosure matters, and serving as the designated liaison with the stock exchange.

The board secretary shall comply with relevant laws, administrative regulations, departmental rules, and the provisions of the Articles of Association.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations and the provisions of relevant national authorities.

The Company shall submit and disclose its annual reports to the local offices of the CSRC and the stock exchange within 4 months from the ending date of each financial year, and its interim reports to the local office of the CSRC and the stock exchange within two months from the ending date of the first half of each financial year.

The above annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and the provisions of the CSRC and the stock exchange.

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

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When the Company allocates the after-tax profits for the current year, it shall extract 10% of the profits into the Company's statutory reserve fund. Should the accumulated amount of the Company's statutory reserve fund be more than 50% of the Company's registered capital, no appropriation shall be made.

In the event that the Company's statutory reserve fund is not sufficient to cover all the losses for the previous year, the profits for the current year shall be firstly used to cover the loss before making appropriation to the statutory reserve fund pursuant to the foregoing provisions.

After the Company has made an appropriation to the statutory reserve fund from the after-tax profits, an optional reserve fund may also be extracted from the after-tax profits upon resolution at the Shareholders' meeting.

After making up any losses and contributions to reserves, the remaining after-tax profit may be distributed to shareholders in proportion to their respective shareholdings.

In case the Shareholders' meeting approves to distribute any profit to any shareholder in violation of the Company Law, the shareholder shall return profits so distributed to the Company; if losses are caused thereby to the Company, the shareholders, as well as any directors and senior managers responsible for the violation, shall be liable for compensation.

The Company shall not be entitled to any distribution of profits in respect of shares held by it.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital.

When using reserve funds to cover the Company's losses, the optional reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations.

When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, which clearly defines the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

The internal audit system of the Company shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

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Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment of an accounting firm shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

The decision to dismiss or renew the engagement of an accounting firm shall be made by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 15 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the Shareholders' meeting whether the Company is involved in any anomaly.

NOTICE AND ANNOUNCEMENT

Notices of the Company shall be served by the following means:

- (i) By hand;
- (ii) By postal mail;
- (iii) By telephone;
- (iv) By facsimile;
- (v) By modern communication methods such as email;

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- (vi) By announcement;
- (vii) Subject to compliance with laws, administrative regulations, and the listing rules of the securities exchange where the Company’s shares are listed, by publication on websites designated by the Company and the Hong Kong Stock Exchange;
- (viii) By other means as required by the relevant regulatory authority of the place where the Company’s Shares are listed and the Articles of Association;
- (ix) By other means as required by the Articles of Association.

Notices issued by the Company in the form of announcements shall, upon publication, be deemed to have been received by all relevant persons. Unless otherwise specified by context, the term “announcement” as used in the Articles of Association refers, in relation to announcements issued to holders of A Shares or announcements required to be published within the territory of China pursuant to relevant regulations and the Articles of Association, to the publication of information on the website of the SZSE and media complying with the requirements of the CSRC. For announcements to holders of H Shares or those required to be issued in Hong Kong under relevant regulations and the Articles of Association, such announcements must be published on the Company’s website, the HKEX website, and other websites as may be specified from time to time under the Listing Rules.

Notices for Shareholders’ meetings and board meetings may be issued by one or more of the methods specified the Articles of Association.

Company notices delivered by hand shall be signed (or stamped) by the recipient on the delivery receipt, with the recipient’s acknowledgment date serving as the delivery date. Company notices mailed shall be deemed delivered on the third business day following the date of delivery to the post office or courier company. Company notices issued by public announcement shall be deemed received by all relevant parties upon publication, with the date of the first announcement serving as the delivery date. For company notices delivered by telephone, the date of delivery shall be the date of the telephone notification. For company notices delivered by email or fax, the date of delivery shall be the date the email or fax enters the recipient’s designated receiving system.

The failure to deliver a meeting notice to a person entitled to receive it due to accidental omission, or the non-receipt of such notice by that person, shall not invalidate the meeting or the resolutions adopted at the meeting.

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The Company designates information disclosure media meeting the requirements of the CSRC and the SZSE website as the media for publishing Company announcements and other required disclosures. Where announcements are required to be made to holders of H Shares pursuant to the Articles of Association, such announcements shall also be published in designated newspapers, websites, and/or the Company’s website as required by the Listing Rules. Notwithstanding any prior provision expressly requiring the provision and/or distribution of corporate communications to shareholders in written form, with respect to the manner in which the Company provides and/or distributes corporate communications to shareholders in accordance with the listing rules of the stock exchange where the Company’s shares are listed, provided that the Company has obtained the prior written consent or implied consent of shareholders in accordance with relevant laws, regulations, and the provisions of the Listing Rules as amended from time to time, the Company may send or provide corporate communications to its shareholders electronically or by publishing information on the Company’s website. Corporate communications include, but are not limited to: circulars, annual reports, interim reports, quarterly reports, notices of general meetings, and other corporate communications listed in the Listing Rules.

With respect to the manner in which the Company provides and/or distributes corporate communications to holders of H Shares in accordance with the securities regulatory rules of the place where the shares are listed, the Company may, subject to compliance with the relevant securities regulatory rules of the place where the shares are listed, send or provide such corporate communications to its holders of H Shares by electronic means or by publishing the information on the Company’s website or the website of HKEX, in lieu of delivering such communications to holders of H Shares by hand or by postage-paid mail.

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

Merger, Division, Capital Increase, and Capital Reduction

Where the price paid for a merger does not exceed ten percent of the Company’s net assets, the merger may be resolved without a Shareholders’ meeting, unless otherwise provided for in the Articles of Association.

Where a merger of companies is not resolved by the Shareholders’ meeting in accordance with the preceding provision, it shall be resolved by the Board.

Where there is a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall publish an announcement in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of the merger resolution. The creditors may, within 30 days after receipt of notice or, if the creditors do not receive such notice, within 45 days of the announcement, demand the Company to repay in full or to provide a guarantee.

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At the time of merger, the claims and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and inventory of property shall be prepared. The Company shall notify its creditors within 10 days from the date of the division resolution and shall publish an announcement in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of the division resolution.

Debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before the division.

When the Company reduces its registered capital, it shall prepare a balance sheet and a property list.

The Company shall inform its creditors within 10 days and publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction of registered capital has been passed at the Shareholders' meeting. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the Company to pay its debts or provide guarantees covering the debts.

When the Company reduces its registered capital, the contribution amounts or shares held by shareholders shall be reduced proportionally, unless otherwise provided by law or the Articles of Association.

If the Company still has losses after covering them in accordance with the Articles of Association, it may reduce its registered capital to cover such losses. Where registered capital is reduced to cover losses, the Company shall not distribute profits to shareholders nor exempt shareholders from their obligations to contribute capital or pay share premiums.

When the Company issues new shares to increase its registered capital, Shareholders shall not enjoy preemptive subscription rights, unless otherwise provided in the Articles of Association or decided by a resolution of the Shareholders' meeting.

The Company shall, in accordance with laws, handle the procedures for change registration with the Company registration authority where a change in any registration items arises as a result of any merger or division. In the event of dissolution of the Company, the Company shall handle the procedures for registration of cancellation in accordance with the law. In the event of establishment of a new company, the Company shall handle the procedures for registration of establishment in accordance with laws.

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Where the Company increases or reduces its registered capital, the Company shall handle the procedures for change registration with the Company registration authority in accordance with laws.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;
- (ii) The Shareholders' meeting resolves to dissolve the Company;
- (iii) The Company needs to be dissolved due to a merger or division;
- (iv) The Company is legally revoked its business license, ordered to close, or revoked;
- (v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within 10 days.

Under the circumstance of the item(i) above, it may continue to exist by amending the Articles of Association.

Amendments to the Articles of Association pursuant to the preceding paragraph shall be subject to the approval of shareholders representing more than two-thirds of the voting rights attending the shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation.

The liquidation committee shall consist of directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others.

If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

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During the liquidation period, the liquidation committee shall exercise the following powers and duties:

- (i) Checking the Company's assets and prepare a balance sheet and an inventory of assets;
- (ii) Notifying creditors by notice and announcement;
- (iii) Dealing with the outstanding affairs of the Company in relation to liquidation;
- (iv) Paying off outstanding taxes as well as taxes arising in the course of liquidation;
- (v) Settling claims and debts;
- (vi) Allocate the remaining assets of the Company after repayment of debts;
- (vii) Representing the Company in civil litigation activities.

The liquidation committee shall notify creditors within 10 days from the date of its establishment and make an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

Creditors shall provide an explanation for the relevant particulars and evidence of the claims upon declaration of such claims. The liquidation committee shall register the creditors' claims.

During the claim declaration period, the liquidation committee shall not settle claims with creditors.

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

The remaining properties of the Company, after payment of liquidation expenses, wages, social insurance premiums and statutory compensation of staff, outstanding taxes and debts of the Company, shall be distributed according to the shareholding proportion held by shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to shareholders before the settlement of debts in accordance with the aforesaid provisions.

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If, after liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the assets of the Company are insufficient to repay the debts of the Company in full, it shall apply to the People's Court for a declaration of insolvency according to the law.

Upon acceptance of the insolvency application by the People's Court, the liquidation committee shall transfer the liquidation affairs to the insolvency administrator appointed by the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same to the shareholders' meeting or the people's court for confirmation, and submit the aforesaid documents to the company registration authority, and apply to cancel the registration of the Company.

The members of the liquidation committee shall perform their liquidation duties and shall assume the obligations of loyalty and diligence.

Where the member of the liquidation committee neglects to perform the liquidation duties and causes any loss to the Company, he/she shall be liable to make compensation. If losses are caused to any creditor due to intentional misconduct or gross negligence, such member shall be liable for compensation.

If the Company is declared insolvent according to laws, the Company shall perform insolvency liquidation procedures according to the laws relating to insolvency of companies.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

- (i) After amendments are made to the Company Law or relevant laws and regulations, administrative regulations, the Articles of Association run counter to the said amendments;
- (ii) The Company's conditions have changed, and such changes are not consistent with the matters recorded in the Articles of Association;
- (iii) The Shareholders' meeting resolves to amend the Articles of Association.

Where approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' meeting, such amendments shall be submitted to the competent authority for approval. If amendments to the Articles of Association involve particulars of the Company's registration, changes shall be made to the registration in accordance with the laws.

APPENDIX IV **SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the shareholders’ meeting and the opinion of the relevant competent authorities on any amendment hereto.

If any amendment to the Articles of Association involves matters required to be disclosed by laws and regulations, an announcement shall be made pursuant to the regulations.