This appendix contains a summary of the principal provisions of the Articles of Association of the Company which will be effective from the date of [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential [**REDACTED**] with an overview of the Company's Articles of Association and therefore may not contain all the information that is material to potential [**REDACTED**].

ISSUANCE OF SHARES

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meeting:

(i) Issuing shares to non-specific investors;

(ii) Issuing shares to specific investors;

(iii) Distribution of bonus shares to existing shareholders;

(iv) Converting the reserve funds into share capital;

(v) Other means approved by the laws, administrative regulations or approved by the securities regulatory rules of the place where the Company's shares are listed and relevant securities regulatory authorities.

Our company may issue a certain number of preferred shares in addition to common shares. Preferred shareholders have priority over ordinary shareholders in the distribution of the company's profits and remaining assets, but their rights to participate in the company's decision-making management are restricted. Our company may not issue preferred shares which can be converted to common shares.

Our Company may decrease our registered share capital and shall comply with the procedures stipulated in the PRC Company Law, other relevant regulations and the Articles of Association.

Our Company shall not repurchase its own shares, unless otherwise under any of the following circumstances:

(i) Reducing our Company's registered share capital;

(ii) Merging with other companies which hold our shares;

(iii) Using the shares for an employee stock ownership plan or equity incentive plan;

(iv) Purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(v) Use of shares for conversion of convertible corporate bonds issued by the Company;

(vi) Necessary for the Company to maintain its value and protect the interests of the shareholders.

Where the Company repurchases its shares, it shall be conducted through public and centralized trading or other methods recognized by laws, administrative regulations, and the securities regulatory authorities in the place where the shares of the Company are listed. If the share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted through public centralized trading.

If the Company intends to repurchase its shares for reasons set out in (i) and (ii) above, it shall be approved by a resolution at a shareholders' meeting. If the Company intends to repurchase its shares for reasons set out in (iii), (v) and (vi) above, a board resolution shall be passed by more than two-thirds of the directors attending the board meeting in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.

After the Company has repurchased its own shares in accordance with the circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

TRANSFER OF SHARES

Shares issued prior to the public offering of A shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

The Directors and senior management of the Company shall declare the Company of their holdings of shares (including any preferred shares) of the Company and the changes therein. During their term of office as determined upon appointment, the shares transferred annually shall not exceed 25% of the total number of shares of the same class held by them in the company; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their departure from the Company.

The transfer of shares shall comply with the securities regulatory rules of the place where the Company's shares are listed if such rules stipulate otherwise.

Any gains from sale of Company's shares by the Directors and senior management members or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, for a securities company which holds 5% or more of the Company's shares as a result of its undertaking of the untaken shares in an offer, or other circumstances stipulated by the securities regulatory authorities of the place where the Company's shares are listed, sale of those Company's shares shall not be subject to the six-month time limit as set out above.

Shares or other securities with the nature of equity held by Directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the provision set forth above, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the People's Court of the PRC in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth above, the responsible Directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's Shares. The register of Shareholders of H shares kept in Hong Kong shall be available for inspection by shareholders, but the Company may suspend the registration of Shareholders in accordance with provisions

equivalent to Section 632 of the Companies Ordinance (Chapter 622) of Hong Kong and the securities regulations of the stock exchange where the company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of our shareholders are as follows:

(i) To receive dividends and other forms of interest distribution according to the number of shares held;

(ii) To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding voting rights (except for the situations that the voting rights shall be abstained for certain matters pursuant to the securities regulatory rules of the place where the Company's shares are listed);

(iii) To supervise business operations of our Company, provide suggestions or submit queries;

(iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) To consult and copy the Articles of Association, the register of shareholders, the shareholders' meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports, while qualified shareholders may consult the accounting books and vouchers;

(vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;

(vii) To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;

(viii) Other rights conferred by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the content of the resolution of the Company's shareholders' meeting or board of directors violates laws, administrative regulations, the shareholders have the right to request the court of the PRC to clarify it invalid. If the convening procedures or voting methods of the shareholders' meeting or the board of directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders have the right to request the court of the PRC to revoke the resolution within 60 days from the date on which the resolution is made. However, the resolution shall not be revoked if there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the board meeting resulting in no substantial impact on the resolution.

In the event of any loss caused to our Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors (other than members of the Audit Committee) or senior management when performing their duties in our Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the court of the PRC. Where members of the Audit Committee violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to our Company, the shareholders may submit a written request to the Board of Directors to file an action with the court of the PRC.

On the conditions that the Audit Committee or the Board of Directors refuse to prosecute an action after receiving the written request in the former Article, or do not take an action within 30 days, or if urgent situation, without an immediate proceeding the Company interests will be irreparably damaged, the shareholders in the former Article shall have the right to sue to the People's Court in their own name.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the court of the PRC pursuant to the provisions of the preceding paragraphs.

The obligations of shareholders are as follows:

(i) To abide by laws, administrative regulations and the Articles of Association;

(ii) To provide Share capital according to the Shares subscribed and the subscription methods;

(iii) Not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;

(iv) Not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to damage the creditors of the Company;

(v) To perform other duties prescribed in laws, administrative regulations and the Articles of Association.

Any company shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed to protect the interests of the company. Where controlling shareholders and actual controllers pledge the Company's shares held or actually controlled by them, they shall maintain the control of the Company and the stability of production and operation. Any controlling shareholder or actual controller that transfers company shares held by it shall abide by any restrictive provisions on share transfers set forth in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and any commitment it makes with respect to the restricted share transfers.

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

Where the controlling shareholders and actual controllers of the Company instruct the Directors and senior executives to damage the interests of the Company or shareholders, they shall bear joint and several liability with the Directors and senior executives.

GENERAL PROVISIONS FOR SHAREHOLDERS' MEETINGS

The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

(i) Electing and replacing directors (other than the employee representatives), and deciding the remuneration matters of the directors;

(ii) To examine and approve reports of the Board of Directors;

(iii) To examine and approve the annual financial budget plan and final account plan of the Company;

(iv) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(v) To decide on any increase or decrease of the Company's registered capital;

(vi) To decide on the issue of corporate bonds by the Company;

(vii) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(viii) To amend the Articles of Association;

(ix) Resolution on appointment and dismissal of an accounting firm by the Company;

(x) To examine and approve the external guarantees stipulated in the Articles of Association that need to be examined and approved by the shareholders' meeting;

(xi) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(xii) To examine and approve matters relating to changes in the use of proceeds;

(xiii) To examine the equity incentive plans and employee stock ownership plans;

(xiv) Related party transactions between the company and related parties (except providing guarantees) with an amount of more than 30 million yuan and accounting for more than 5% of the absolute value of the company's latest audited net assets;

(xv) Repurchase the shares of the Company by reducing the Company's registered share capital or merging with other companies which hold our shares;

(xvi) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company, which shall be decided by the shareholders' meeting.

The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for approval after the Board of Directors has approved:

(i) Any single guarantee to be provided that the amount has exceeded 10% of the Company's net assets as audited in the latest period;

(ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets or 30% of the Company's total assets as audited in the latest period;

(iii) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(iv) Any guarantee to be provided after the total amount of external guarantees during the past twelve months provided by the Company has exceeded 30% of the Company's total assets as audited in the latest period;

(v) Any guarantee to be provided that the amount exceeds 50 million yuan after the total amount of external guarantees during the past twelve months provided by the Company has exceeded 50% of the Company's net assets as audited in the latest period;

(vi) The guarantee to be provided to a shareholder, or to an actual controller or related party thereof;

(vii) Other circumstances that shall be examined and approved by the shareholders' meeting as stipulated by the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) The uncovered losses of our Company reach one-third of its total paid-in share capital;

(iii) A request from shareholders who separately or jointly hold 10% or more shares in the Company;

(iv) The Board of Directors considers it necessary;

(v) The Audit Committee proposes that such a meeting shall be held;

(vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

CONVENING OF SHAREHOLDERS' MEETINGS

Upon consent by more than a half of the Independent Directors, the independent Directors shall have the right to propose to the Board to convene an extraordinary shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within 10 days after the receipt of such proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. If the Board does not agree to convene the extraordinary shareholders' meeting, it shall give the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board in writing to convene an extraordinary shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to give a response within 10 days after the receipt of the proposal, the Audit Committee may convene and preside over such meeting on its own on the ground that the Board of Directors was unable or failed to perform its duty to convene a shareholders' meeting.

Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary shareholders' meeting within 10 days after receiving the request. Where the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board of Directors is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to hold an extraordinary shareholders' meeting, and shall make a written request to the Audit Committee. Where the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee has not convened and presided over the shareholders' meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS

The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations and the Articles of Association.

The Board of Directors, the Audit Committee or shareholders that hold, individually or collectively, 1% or more of the Shares of the Company shall have the right to propose resolutions in shareholders' meeting.

Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company may submit interim proposals in writing to the convener 10 days before the convening of the shareholders' meeting. The convener shall give a supplemental notice of the shareholders' meeting within 2 days upon receipt of the proposals and announce the contents of the interim proposals. If the shareholders' meeting is postponed due to the issuance of supplementary notice in accordance with the securities regulatory rules of the place where the company's shares are listed, the convening of the shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the place where the company's shares are listed.

Except for the circumstances provided for 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 shareholders' meeting shall not vote and make resolutions on proposals that are not specified in the notice of the shareholders' meeting or do not conform to the provisions of the Articles of Association.

The convener of an annual shareholders' meeting shall notify all shareholders by means of an announcement 21 days before the meeting; the convener of an extraordinary shareholders' meeting shall notify all shareholders by means of an announcement 15 days before the meeting.

A notice of a shareholders' meeting shall include the following:

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

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

(iii) a prominent written statement that all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(iv) the record date of registration of shareholders entitled to attend the shareholders' meeting;

(v) the name and telephone number of the regular contact person for the meeting;

(vi) the time and procedure for voting online or through other means.

Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose the specific contents of all proposals.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be canceled. Once there is a postponement or cancelation, the organizer shall make an announcement and explain the reasons at least 2 working days before the original date of the convening. If the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or canceling the shareholders' meeting, it shall comply with the relevant provisions on the premise of not violating the domestic regulatory requirements.

PROCEEDING OF SHAREHOLDERS' MEETINGS

Shareholders may attend the shareholders' meeting in person, or they may entrust proxies to attend, speak and vote on their behalf. If the shareholders' meeting requires directors or senior management to attend the meeting, such directors and senior management shall be present and answer shareholders' inquiries.

A shareholder's meeting shall be presided over by the Chairman of the Board. Where the Chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A shareholders' meeting convened by the Audit Committee shall be presided over by the Chairman of the Audit Committee. Where the Chairman of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee. A shareholders' meeting convened by shareholders shall be presided over by a representative elected by convener(s). Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the host of the meeting and continue the meeting.

The Company formulates the rules of procedure of the shareholders' meeting, which stipulate in detail the convening and voting procedures of the shareholders' meeting, including notice, registration, examination of proposals, voting, counting, announcement of voting results, formation of meeting resolutions, meeting minutes and signings and announcements, etc., as well as the authorization principles of the shareholders' meeting to the Board of Directors, and the authorization content should be clear and specific. The rules of procedure of the shareholders' meeting shall be annexed to the Articles of Association, drawn up by the Board of Directors and approved by the shareholders' meeting.

VOTING AT THE SHAREHOLDERS' MEETING

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). A special resolution at a shareholders' meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(i) Work reports of the Board of Directors;

(ii) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;

(iii) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;

(iv) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' meeting:

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

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

(iii) Any amendment to the Articles of Association;

(iv) The purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company of the latest period;

(v) Share incentive plan;

(vi) Other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of voting shares they represent, and each share shall be entitled to one vote. When voting, shareholders (including shareholders' proxies) with two or more voting rights do not have to vote for, against or abstain from all voting rights, provided that the applicable securities regulatory rules of the place where the stock is listed permit.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

If any shareholder, under applicable laws and regulations and Hong Kong Listing Rules, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board of Directors, independent Directors, shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the place where the Company's shares are listed may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, the specific voting intent and other information shall be fully disclosed to the solicited party. Consideration or de facto consideration for soliciting shareholders voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

When a connected transaction is considered at a shareholders' meeting, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Announcement of resolutions of the shareholders' meeting shall fully disclose the voting of non-connected shareholders.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person shall not serve as a Director of the Company if such person is disqualified under the PRC company Law or the securities Law.

Where a Director is elected or appointed in violation of the provisions above, the election, or appointment shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company shall dismiss him or her from office.

Directors shall be elected or replaced at the shareholder's meeting and may be dismissed (including executive Directors) by the shareholders' meeting upon ordinary resolution prior to the expiry of the term of their office. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Directors may be concurrently held by senior management members, but the total number of directors concurrently serving as senior management members and directors who are employee representatives shall not exceed a half of the total number of directors of the Company.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following fiduciary duty to the company:

(i) may not embezzle company property or misappropriate company funds;

(ii) may not use his/her own name or other people's names to open accounts to deposit company funds;

(iii) may not take advantage of position to offer bribery or receive other illegal income;

(iv) may not enter into contracts or transactions with the Company, without reporting to the Board or the shareholders' meeting and being approved by the Board or the shareholders' meeting as stipulated in the Articles of Association;

(v) may not take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, unless it has been reported to the Board or the shareholders' meeting and approved by the shareholders' meeting or such business opportunity can not be utilized by the Company according to laws, administrative regulations and the Articles of Association;

(vi) may not, without reporting to the Board or the shareholders' meeting and being approved by the shareholders' meeting, to operate the same kind of business as the Company by himself/herself or for other people;

(vii) may not accept commissions on transactions between other persons and the company as his/her own;

(viii) may not unilaterally disclose company secrets;

(ix) may not make use of related-party relationship to damage company interests; and

(x) other fiduciary duty specified by the laws, administrative regulations, departmental rules and the Articles of Association.

Directors' income derived from violation of the above-mentioned provision shall belong to the Company; and directors shall be liable to compensate any loss incurred to the Company.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following duty of diligence to the Company:

(i) Shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and government economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(ii) Shall treat all shareholders fairly;

(iii) Shall maintain a timely awareness of the operation and management of the Company;

(iv) Shall sign written statements confirming the regular reports of the Company, and ensure that the information is disclosed by the Company being true, accurate and complete;

(v) Shall truthfully provide information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its duties;

(vi) Other duty of diligence stipulated in the laws, administrative regulations, departmental rules and the Articles of Association.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. Relevant information shall be disclosed by the Board within 2 days. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement, the resignation of Independent Directors causes the proportion of Independent Directors in the Board of Directors or special committees of the Company to be inconsistent with laws and regulations, the securities regulatory rules of the place where the company's shares are listed or the Articles of Association, or there are no accounting professionals among Independent Directors, the resigned Directors shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

The fiduciary duty of a Director to the Company and shareholders shall not be terminated automatically since the resignation report has taken effect or the expiry of its term of office, and shall remain in effect for two years following such expiry, and the obligation to keep the Company's trade secrets confidential shall remain in effect after the end of his or her term of office until the secret becomes public information.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

Related matters of Independent Directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules and securities rules of the place where the Company's shares are listed.

BOARD OF DIRECTORS

The Company has established a Board of directors which shall be accountable to the shareholders' meetings. The Board shall comprise 12 Directors, with 1 Chairman, 4 Independent Directors and 1 employee representative Director. The Board shall exercise the following duties and powers:

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

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

(iii) to resolve business operation plans and investment plans of the Company;

(iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;

(v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vi) to draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;

(vii) to determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, related transactions donations and gifts, etc. of the Company;

(viii) to determine the internal management structure of the Company;

(ix) to determine the appointment or dismissal of the general manager of the Company, the Board secretary; and based on the nomination of the general manager, to determine the appointment or dismissal of the senior management including Vice President, and chief financial officer of the Company and determine their remuneration, rewards and penalties;

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

(xi) to formulate proposals for any amendment of the Articles of Association;

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

(xiii) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(xiv) to listen to work reports of the general manager of the Company and review his/her work;

(xv) other duties as stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

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

The members of the special committees are all composed of Directors, of which the Independent Directors of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee shall account for the majority and serve as the Chairman, and the chairman of the Audit Committee shall be accounting professionals, the Nomination Committee shall include at least one Director of different gender. The Board of Directors is responsible for formulating the detailed rules for the implementation of the special committees and regulating the operation of the special committees.

The Chairman of the Board of Directors shall be elected by more than half of all Directors.

Where the Chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by a Director jointly elected by more than half of the Directors.

The Board shall convene at least four meetings per annum by the Chairman, approximately once every quarter, which shall give written notice to all Directors, General Manager and secretary of Board of Directors 14 days prior to the convening of the meeting. Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors or the Audit Committee may propose to convene an extraordinary meeting of the Board. The Chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days from the receipt of the proposal. The notice of convening an extraordinary board meeting by the Board of Directors shall be delivered by special person, mailed, emailed, faxed or telephoned; The notice period is five days. In case of emergency and need to convene an extraordinary meeting of the Board of Directors as soon as possible, notice of the meeting may be issued by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

The quorum of a Board meeting shall be more than half of all Directors. A resolution of the Board shall be passed by more than half of all Directors. Where the laws, administrative regulations and the Articles of Association provide otherwise in respect of the matter, such rules shall also be applicable. Each Director has equal right of one vote.

Where a Director has any connected relationship with the enterprise involved in the matter to be decided at the Board meeting, he/she shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. The quorum of such a Board meeting shall be more than half of all the non-connected Directors, and the resolutions made at such a Board meeting shall require adoption by more than half of all the non-connected Directors. If the number of non-connected Directors in presence is less than 3 persons, the matter shall be submitted to the shareholders' meeting for deliberation.

Directors shall attend Board meetings in person. If any Director (include Independent Director) is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. Where voting matters are involved, the appointing Director shall clearly express the opinions of approval, opposition or abstention on each matter in the power of attorney, and the Directors shall not make or accept the authorization without voting

intention, full authorization or authorization with unclear scope. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right in such meetings. A director may not be appointed by more than two directors to attend a board meeting.

Independent Directors

The independent directors shall exercise the following special functions and powers:

(i) independently engaging intermediaries to audit, consult or verify specific matters of the Company;

(ii) proposing to the Board of Directors the convening of an extraordinary general meeting;

(iii) proposing to convene a meeting of the Board of Directors;

(iv) to openly solicit shareholders' rights from shareholders in accordance with the law;

(v) expressing independent opinions on matters that may jeopardize the interests of the Company or minority shareholders;

(vi) other powers and functions prescribed by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The exercise of the powers and functions listed in (i) to (iii) of the preceding paragraphs by an independent director shall be approved by a majority of all independent directors.

Special committees of the Board

The Board of the Company has an audit committee in place to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law.

The Board of the Company has established the Strategy Committee, the Nomination Committee, and the Remuneration and Evaluation Committee, to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for consideration and decision. The Board shall be responsible for formulating the working procedures of the special committees.

SENIOR MANAGEMENT MEMBERS

The Company shall have one General Manager who shall be appointed or dismissed by the Board. The Company may have 4-6 deputy General Managers.

The senior management of the Company refers to the General Manager deputy General Managers, secretary of the Board of Directors and other personnels holding important positions that are appointed and confirmed by the Board of Directors as senior management.

The circumstances of disqualification for Directors, the fiduciary duty and duty of diligence of the Directors prescribed in the Articles of Association shall also apply to senior management.

The General Manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

The General Manager of our Company is responsible to the Board of Directors and exercises the following 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 organization;

(iv) To draft the Company's basic management system;

(v) To draft the Company's specific regulations;

(vi) To propose to the Board of Directors on the appointment or dismissal of other senior management personnel of the Company;

(vii) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(viii) Other functions and powers conferred by the Articles of Association or the Board of Directors.

The senior management of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the laws.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant departments.

The Company's fiscal year is based on the calendar year system, i.e., the fiscal year begins on January 1 and ends on December 31 of each calendar year.

The Company shall report and disclose its annual reports to the securities regulatory authorities and stock exchange of the place where the shares of the Company are listed and the stock exchange within 4 months from the ending date of each fiscal year, report and disclose its interim report to the delegated authority of the securities regulatory authorities and stock exchanges of the place where the shares of the Company are listed within 2 months from the end of the first half of each fiscal year.

The Company shall not establish the statutory account books accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit distribution

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision. Subject to a resolution passed at a shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits. Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of reserve funds, shall be distributed to shareholders in proportion to their shareholdings. If the Company distributes profits to shareholders in violation of the provisions of the Articles of Association, shareholders must refund to the Company the profits distributed in violation of the provisions. No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. For making up losses of the Company by the reserve fund, the optional reserve fund and legal reserve fund shall first be used; where there is still no way to make up losses, the capital reserve may be used pursuant to the provisions. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

The Company's profit distribution policy maintains continuity and stability, while taking into account the overall interests of all shareholders and the sustainable development of the Company. The Company may distribute profits in the form of cash, shares or a combination of both. The Company shall prioritize the use of cash dividends for profit distribution if meeting the preconditions of the cash dividend.

Internal audit

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board of Directors. The head of audit shall be accountable and report to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the PRC Securities Law for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of shareholders' meetings. The Board shall not appoint accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the shareholders' meeting whether the Company has committed any improper act.

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

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the **www.cninfo.com.cn** (巨潮資訊網), **https://www.hkexnews.hk** (香港聯交所披露易網站) and other statutory disclosure media within 30 days as of the date of such resolution.

A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

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 property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on **www.cninfo.com.cn**, **https://www.hkexnews.hk** and other statutory disclosure media within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on **www.cninfo.com.cn**, **https://www.hkexnews.hk** and other statutory disclosure media within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts. The registered capital of the Company after the reduction shall not be less than the statutory minimum amount. If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in accordance with the proportion of capital contributed or shares held by shareholders, unless otherwise provided by law or the Articles of Association.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved upon the occurrence of the following events:

(i) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;

(ii) a resolution on dissolution is passed by a shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of the Company may plead the court of the PRC to dissolve the Company.

If the Company is in the situation as described in above (i) and has not yet distributed its properties to shareholders, it can continue to exist by amending the Articles of Association. The amendment of the Articles of Association as per the preceding paragraph must be passed by more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

Where the Company is dissolved pursuant to the situations as described in above (i), (ii), (iv) and (v), a liquidation committee shall be established within 15 days as of the dissolution circumstance arises, and the liquidation shall be thereby started. The liquidation committee shall be composed of directors or the personnel otherwise elected by the resolution of the shareholders' meeting. If the liquidation committee is not established in the prescribed period, the creditors may apply to the court of the PRC for delegation of relevant personnel to form the liquidation committee and start the liquidation.

The liquidation committee shall notify the creditors within 10 days since its establishment and make public announcement on **www.cninfo.com.cn**, **https://www.hkexnews.hk** and other statutory disclosure media within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee. Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims. The liquidation committee shall not pay off any debts to any creditors during period of claim declaration.

After clearing the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation of the shareholders' meeting or the court of the PRC. The remaining assets of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs and paying the taxes owed, settling the Company's debts, shall be distributed by the Company in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The properties of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding provisions.

If the liquidation committee, after clearing the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the court of the PRC for bankruptcy. After the court of the PRC declares the bankruptcy of the company, the liquidation committee shall hand over the liquidation matters to the court of the PRC.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the court of the PRC for confirmation, and submit the report to the company registration authority to apply for cancellation of the Company registration.

Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

Amendments to the Articles of Association

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

(i) after amendments are made to the PRC Company Law or other relevant laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations;

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

(iii) the shareholders' meeting has resolved to amend the Articles of Association.

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

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.