

APPENDIX VI SUMMARY OF OUR ARTICLES OF ASSOCIATION

This appendix contains a summary of the main provision of the Articles of Association of the Company adopted on June 29, 2023 and amended on February 18, 2023 and June 29, 2023 respectively, which will take effect from the date of the [REDACTED] of H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the 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 AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Increase of Capital

The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions separately passed at the general meetings:

- (1) by public offering of shares;
- (2) by non-public offering of shares
- (3) by allotting bonus shares to its existing shareholders;
- (4) by converting common reserve fund into share capital;
- (5) by any other means which is stipulated by law and administrative regulations and approved by the CSRC.

Reduction of Capital

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

In case of reduction of registered capital of the Company, a balance sheet and assets list shall be formulated.

The Company shall inform its creditors of the reduction in capital within ten (10) days and make at least three announcements in newspapers within thirty (30) days after the resolution approving the reduction has been adopted. The creditors shall, within thirty (30) days since the date of receiving a written notice or within forty five (45) days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

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Repurchase of Shares

The Company shall not repurchase its shares in accordance with the laws and regulations, the Articles of Association and the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed, except in the following circumstances:

- (i) to reduce its capital;
- (ii) to merge with another company that holds the shares;
- (iii) to utilize shares in the employee share ownership scheme or for share incentive;
- (iv) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (v) Necessary for the Company to protect its value and the shareholders' equity;
- (vi) to acquire the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (vii) Other circumstances permitted by laws, regulations and regulatory rules of the place where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) of the preceding paragraph, it shall be subject to the resolution of the general meeting; where the Company repurchases its shares under the circumstances set out in items (iii), (iv) and (v) of the preceding paragraph, it shall be subject to the resolution of the Board meeting attended by more than two-thirds (2/3) of the directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

The shares repurchased by the Company in accordance with the paragraph 1 shall be processed in the following ways: for the circumstance in item (i), such shares shall be canceled in ten days after the date of repurchase; for the circumstance in item (ii) or (vi), such shares shall be transferred or canceled in six months; for the circumstance in item (iii), (iv) or (v), 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 in three years.

TRANSFER OF SHARES

The promoters' shares of the Company shall not be transferred within one (1) year from the date of the establishment of the Company. Shares issued by the Company prior to its public offering shall not be transferred within one (1) year as of the date on which the shares are listed and traded in a stock exchange.

The Directors, supervisors, general managers and other senior management of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the [REDACTED] of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation. Where the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.

The Company shall not accept its own shares as collateral.

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SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Share Certificates

The share certificates of the Company shall be in registered form.

Under conditions of the paperless issuance and trading of the Company's shares, the provisions of the securities regulatory body and the stock exchange(s) where the Company's shares are listed shall apply.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company shall establish a register of shareholders with the information provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Rights and Obligations of Shareholders

Shareholders of the Company shall entitle the following rights:

- (i) to the Company for dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) to request, convene, hold, participate or authorize proxies to attend shareholders' general meeting, and to exercise voting rights according to the proportion of shares they hold;
- (iii) to supervise the business operations of the Company and to make suggestions or inquiries;
- (iv) to transfer, give or pledge the shares held by them in accordance with the laws and regulations, the Listing Rules and the Articles of Association;
- (v) to obtain relevant information in accordance with the laws and regulations and the Articles of Association, which shall include:
 - 1. to obtain the copies of Articles of Association after paying the production cost;
 - 2. to inspect and obtain photocopies of the following information upon payment of a reasonable charge:
 - (1) all of the register of Shareholders;
 - (2) personal information of the directors, supervisors, general manager and other senior management of the Company, including:
 - (a) Current and previous names and alias;
 - (b) Main address (domicile);
 - (c) Nationality;
 - (d) Full-time and all other part-time jobs and titles;
 - (e) Identity documents and numbers.
 - (3) Status of the share capital of the Company;
 - (4) Special resolutions of the Company;
 - (5) reports showing the aggregate par value, number of shares, and maximum and minimum prices paid in respect of each class of shares bought back by the Company since the last fiscal year as well as all the expenses paid by the Company therefore;
 - (6) counterfoils of corporate bonds, resolutions of the Board meetings, resolutions of the Supervisory Committee meetings, financial and accounting reports and minutes of general meetings (for inspection by shareholders only);

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- (7) The latest audited financial statements, reports of the Board of Directors, and Board of Supervisors and auditors;
- (8) The latest annual report/annual return filed with the PRC administration for industry and commerce or other competent authorities;
- (9) The minutes of the general meeting.
- (vi) To participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To require the Company to buy back its shares in the event that shareholders objecting to resolutions of the general meeting concerning merger or division of the Company satisfy the requirements of the Articles of Association and relevant laws and regulations on the procedures for share buy-back by the Company;
- (viii) The Shareholders holding more than three percent (3%) of the shares of the Company separately or jointly have the right to raise a temporary proposal and submit it in writing to the Board of Directors ten (10) days before the Shareholders' general meeting is held; and
- (ix) Other rights set out in laws and regulations and the Articles of Association.

A shareholder requesting for inspection of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder. Shareholders shall keep confidential the information and materials they inspect.

Shareholders of the Company shall assume the following obligations:

- (i) to abide by the laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (ii) to make a capital contribution according to the shares they subscribe for and the capital participation method;
- (iii) not to withdraw capital contribution or withdraw shares unless otherwise provided by laws and regulations;
- (iv) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors;
- (v) Other obligations to be assumed by the Shareholders according to the laws and regulations and the Articles of Association.

If a shareholder abuses his/her shareholder rights and causes a loss to the Company or other shareholders, he or she shall be held liable for damages in accordance with laws.

SHAREHOLDERS' GENERAL MEETING

General rules for the Shareholders' General Meeting

The general meeting acts as the supreme authority of the Company which, according to laws, exercises the following functions and power:

- (i) to decide on the Company's operational policies and investment plans;
- (ii) to elect and replace the directors and supervisors assumed by non-representatives of the employees and decide on matters relating to the remuneration of the directors and supervisors;
- (iii) to review and approve the reports of the board of directors;
- (iv) to review and approve the reports of the board of supervisors;
- (v) to review and approve the Company's proposed annual financial budget and final accounts;
- (vi) to review and approve the Company's profit distribution plans and loss recovery plans;

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- (vii) to decide on the increase or reduction of the Company’s registered capital;
- (viii) to decide on merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;
- (ix) to decide on the issue of bonds by the Company;
- (x) to decide on the appointment or dismissal of the accounting firms of the Company;
- (xi) to amend these Articles of Association;
- (xii) to review the matters of purchase and/or sale by the Company within one year of significant assets exceeding 30% of the latest audited total assets of the Company;
- (xiii) to review and approve the security-related matters stipulated in Article 48;
- (xiv) to review and approve the change of the use of the raised funds;
- (xv) to review stock incentive plans and employee stock ownership plans;
- (xvi) to review other matters which, according to laws, administrative regulations, departmental rules or these Articles of Association, are subject to shareholders’ approval in general meetings.

The Board of Directors shall convene an extraordinary general meeting within two (2) months in any of the following cases:

- (i) When the number of Directors is less than the number prescribed by the PRC Company Law or less than two-thirds (2/3) of the amount required by these Articles of Association;
- (ii) When the Company’s uncovered losses amount to one-third (1/3) of the total paid-up share capital;
- (iii) When Shareholders, individually or collectively, holding more than ten percent (10%) of the voting shares of the Company request;
- (iv) When the Board of Directors deems it necessary or when the Board of Supervisors proposes to convene it;
- (v) Other circumstances as stipulated by laws, regulations, the listing rules of the place where the Company’s shares are listed or these Articles of Association.

The Convening of the General Meeting

The independent non-executive Directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. In response to a proposal by an independent non-executive Director to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the laws and regulations, the Listing Rules and these Articles of Association, provide written feedback within ten (10) days after receiving the proposal to agree or disagree with the convening of the extraordinary general meeting. If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the general meeting within five (5) days after making a resolution of the Board of Directors.

The Board of Supervisors has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall make such proposal in writing. The Board of Directors shall, in accordance with the laws and regulations, the Listing Rules and these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten (10) days after receiving the proposal.

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Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company may sign one or more written requests in the same form of content to the Board of Directors requesting the convening of an extraordinary general meeting, stating the topics of the meeting and the inclusion of proposals in the agenda of the meeting. The Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and these Articles of Association, provide written feedback within ten (10) days after receiving the request, whether it agrees or does not agree to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five (5) days after making a resolution of the Board of Directors, issue a notice to convene the general meeting, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide feedback within ten (10) days after receiving the request, shareholders, individually or collectively, holding more than ten (10) percent of the shares of the Company shall have the right to propose to the Board of Supervisors the convening of an extraordinary general meeting or a class meeting, and shall submit their request in writing to the Board of Supervisors.

If the Board of Supervisors agrees to convene an extraordinary general meeting, it shall, within five (5) days after receiving the request, issue a notice convening the general meeting, and any changes to the original proposal in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Supervisors fails to issue a notice of a general meeting within the prescribed period, it shall be deemed not to convene and preside over the general meeting. Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over the general meeting on their own. The number of shares held above shall be calculated according to the date of the written request of the shareholder. The shareholding of the convening shareholder shall not be less than ten percent (10%) before the announcement of the resolution of the general meeting.

Notices of the Shareholders' General Meeting

The convener shall notify all shareholders of the time, place and matters to be considered at the meeting at least twenty-one (21) calendar days prior to the annual general meeting, and shall notify all shareholders of the time, place and matters to be considered at the meeting fifteen (15) calendar days prior to the extraordinary general meeting. When calculating the starting date and the ending date, the date on which the notice is given is included and the date on which the meeting is convened is excluded.

The general meeting shall not decide on matters not specified in the notice.

The notice of the general meeting shall meet the following requirements:

- (i) the time, venue and duration of the meeting;
- (ii) subject matters and proposals submitted for consideration and approval at the meeting;
- (iii) particulars shall be in clear text that all shareholders are entitled to attend general meetings and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;
- (iv) the equity registration date of the shareholders who are entitled to attend on the general meetings;
- (v) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings;
- (vi) online or other means of voting time and voting procedures;
- (vii) other requirements stipulated by laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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Resolutions at the General Meeting

The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half (1/2) of the voting rights held by the shareholders (including shareholders’ proxies) present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders (including shareholders’ proxies) present at the general meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (i) work reports of the board of directors and the board of supervisors;
- (ii) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (iii) appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;
- (iv) annual budget and final accounts of the Company;
- (v) annual report of the Company;
- (vi) all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

The following matters shall be resolved by way of special resolution of the general meeting:

- (i) the increase or reduction of the registered capital by the Company;
- (ii) the merger, spin-off, division, dissolution, liquidation or change in the form of the Company;
- (iii) the amendment to these Articles of Association;
- (iv) the amount of purchase and the sale of major assets or the guarantee by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (v) the share incentive schemes;
- (vi) other matters which the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association require to be adopted by special resolutions and which the general meeting, by an ordinary resolution, considers to have a material impact on the Company and therefore require to be adopted by a special resolution.

Shareholders (including shareholders’ proxies), may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

When a connected transaction is considered at a general meeting, the connected shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

Where any shareholder is, under the laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

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When the votes against and for are equal, whether on a show of hands or on a poll, the presider of the meeting shall be entitled to an additional vote.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting for a term of three (3) years, and may be re-elected upon the expiration of the term.

If there are no other provisions in the relevant laws and regulations and the listing rules of the place where the Company's shares are listed, the general meeting may, subject to compliance with the relevant laws and regulations, remove any Director whose term of office has not expired by an ordinary resolution (but without prejudice to any claim for damages under any contract).

The general manager or other Senior Management Members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as general manager or other Senior Management Members and Directors who are employee representatives shall not exceed half (1/2) of the total number of Directors of the Company.

Board of Directors

The Directors of the Company are divided into executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall represent at least one-third (1/3) of the members of the Board of Directors and shall not be less than three (3).

The Company shall have a Board of Directors, which shall consist of eleven (11) Directors and shall have one (1) chairman of the Board.

The Board of Directors shall be accountable to the general meeting and exercises the following functions and powers:

- (i) to convene general meetings and report on its work to the general meetings;
- (ii) to implement the resolutions of the general meeting;
- (iii) to determine the business operation plans and investment plans of the Company;
- (iv) to formulate the annual financial budgetary plans and final accounting plans of the Company;
- (v) to formulate the profit distribution plans and loss recovery plans of the Company;
- (vi) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;
- (vii) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution, liquidation or change of corporate form of the Company;
- (viii) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope of authorization of the general meeting or in accordance with the listing rules of the place where the Company's shares are listed;
- (ix) to determinate the setup of the Company's internal management organizations;
- (x) to decide on the appointment or dismissal of the Company's general manager, secretary to the board of directors and other senior management members, and to decide on matters over the remunerations and rewards and punishments thereof; and to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as well as their remunerations and rewards and punishments according to the nomination of the general manager;
- (xi) to formulate the basic management system of the Company;
- (xii) to formulate the amendment to the Articles of Association;

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- (xiii) to formulate plans for the repurchase of the Company's shares by the Company;
- (xiv) to manage the information disclosure of the Company;
- (xv) to request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (xvi) to listen to the work report of the manager of the Company and inspect the work of the manager;
- (xvii) other functions and powers conferred by laws and regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or the general meetings.

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

- (i) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (ii) to supervise and inspect the implementation of the resolutions of the Board of Directors;
- (iii) other functions and powers conferred by the Board of Directors.

The notice of a regular Board meeting shall be sent to all Directors, Supervisors, the general manager and the board secretary at least fourteen (14) days before the date of the meeting.

The notice of an extraordinary Board meeting shall be sent to all Directors, Supervisors and the general manager at least five (5) days before the meeting.

Voting at Board meetings is conducted by open ballot, with each Director having one vote. Resolutions of the Board of Directors shall be passed by more than half of all Directors. Where laws, regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association require the consent of more Directors to form a resolution, such provisions shall prevail.

GENERAL MANAGER

The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers and one (1) chief financial officer, who shall be appointed or dismissed by the Board of Directors upon nomination by the general manager.

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

- (i) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report on his/her work to the Board of Directors;
- (ii) to organize and implement the Company's annual business plan and investment plan;
- (iii) to formulate the plan for establishment of the Company's internal management organization;
- (iv) to formulate the Company's basic management system;
- (v) to formulate the detailed rules and regulations of the Company;
- (vi) to request the Board of Directors to engage or dismiss deputy general manager and chief financial officer 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 and the Board of Directors.

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SECRETARY TO THE BOARD

The Company shall have one (1) board secretary. The Board secretary shall be a Senior Management Member of the Company and shall be appointed or dismissed by the Board of Directors.

The Company shall have a secretary to the board of directors, whose responsibilities include preparing general meetings and board meetings of the Company, maintaining documents and managing shareholder information of the Company, and handling the information disclosure of the Company.

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

SUPERVISORY COMMITTEE

The Company shall establish a board of supervisors. The board of supervisors shall consist of three supervisors.

The board of supervisors shall appoint a chairperson, who shall be elected by more than half of the supervisors. The meetings of the board of supervisors shall be convened and presided over by the chairperson of the board of supervisors. If the chairperson of the board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor elected by half or more of the supervisors.

The board of supervisors consists of shareholder representatives and an appropriate proportion of employee representatives of the Company, which proportion shall not be lower than 1/3. The employee representatives of the board of supervisors shall be elected by employees of the Company at the employee representatives’ meeting, employee meeting or otherwise democratically.

The directors of the Company, general managers, chief financial officers and other senior management shall not serve concurrently as supervisors.

The voting at meetings of the Supervisory Committee shall be conducted in the form of open ballot. Each Supervisor shall have one vote.

The resolutions of Supervisory Committee shall be passed by the votes of more than two-thirds (2/3) of the members of the Supervisory Committee.

The Board of Supervisors shall be responsible for the general meeting and exercise the following functions and powers in accordance with the law:

- (i) To review the regular reports of the Company prepared by the Board of Directors and to submit written review opinions thereon;
- (ii) To check the finance of the Company;
- (iii) To supervise the Directors, the general managers and Senior Management Members in the performance of their duties and to propose the dismissal of aforementioned people who violate laws, regulations, the Articles of Association or resolutions of the general meeting;
- (iv) To require the Director, general manager or other Senior Management Members to correct his/her act that is detrimental to the Company’s interests;
- (v) To propose the holding of extraordinary general meetings and, in the event that the Board of Directors fails to perform its duty of convening and presiding over a general meeting, to convene and preside over such a meeting in accordance with the PRC Company Law and the Articles of Association;
- (vi) To submit proposals to the general meeting;
- (vii) To file legal proceedings against directors and senior management under the PRC Company Law;

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- (viii) investigate any irregularities in the operation of the Company; If necessary, professional institutions such as accounting firms and law firms may be engaged to assist in their work at the expense of the Company;
- (ix) other functions and powers imposed by the laws, regulations and the Articles of Association.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its own financial and accounting systems in accordance with the laws, regulations and the relevant rules enacted by the competent financial department of the State Council.

The Company shall publish its annual report within four months from the ending date of each financial year, and its interim report within three months from the ending date of the first half of each financial year. The above-mentioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and the provisions of the CSRC and the stock exchange(s).

PROFIT DISTRIBUTION

Profit distribution policy of the Company:

- (i) Principle of profit distribution: the Company implements a continuous and stable profit distribution policy. The profit distribution of the Company attaches importance to the reporting of investment and reasonable investment and takes into account the sustainable development of the Company.
- (ii) Form of profit distribution: the Company may distribute profits in the form of cash, shares or a combination of cash and shares. If the conditions for cash dividends are satisfied, priority shall be given to cash dividends for profit distribution.
- (iii) Specific conditions for cash dividend distribution: in the event that the Company records profit for the year and the accumulated undistributed profit is positive, in principle, the annual cash dividend of the Company shall not be less than 10% of the distributable profit realized for the year if the Company does not have major investment plans or major capital expenditures. The specific distribution plan will be determined by the general meeting based on the actual operation of the Company in the year.

The Board of Directors shall propose differentiated cash dividend policies based on the following situations after comprehensively considering such factors as the industry characteristics, the Company’s development stage, operation mode, profitability and whether it has any significant capital expenditure arrangement:

1. If the Company is in mature development stage and has no significant capital expenditure arrangement, when profit distribution is made, the cash dividend shall at least account for 80% of the profit distribution;
2. If the Company is at the mature stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for 40% of the profit distribution;
3. If the Company is at the growth stage of development and has significant capital expenditure arrangements, when profit distribution is made, the cash dividends shall at least account for 20% of the profit distribution;

If it is difficult to distinguish the development stage of the Company and there are major capital expenditure arrangements, the profit distribution may be dealt with pursuant to the preceding provisions.

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- (iv) Specific conditions for distribution of share dividends: The Company mainly adopts the profit distribution policy of cash dividends. If the Company’s revenue increases rapidly, and the Board of Directors considers that the Company’s share price does not match the size of the Company’s share capital and the distribution of share dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may propose and implement a share dividend distribution plan under the above conditions for distribution of cash dividends.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved and liquidated according to law in any of the following circumstances:

- (i) the general meeting resolves to dissolve the Company;
- (ii) dissolution is required due to merger or division of the Company;
- (iii) the Company is revoked of its business license, ordered to close down or annulled according to law due to violation of laws and regulations;
- (iv) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of its shareholders and there is no other way to resolve, shareholders who hold an aggregate of over ten percent (10%) of the whole voting rights can make a petition to the People’s Court to dissolve the Company.

If the Company is dissolved under items (i), (iii), and (iv), a liquidation committee shall be set up, which shall start liquidation within fifteen (15) days from the date of occurrence of the cause for dissolution. The members of such liquidation committee shall be determined by the Directors or the general meeting.

If the liquidation committee is not established within the prescribed period, creditors can submit an application to the people’s court to appoint relevant officers to establish such committee to carry out the liquidation.

The liquidation committee shall notify its creditors within a period of ten (10) days since the date it is established, and make announcements in newspapers within sixty (60) days. Creditors shall, within thirty (30) days since the date of receiving the notice, or for creditors who do not receive the notice, within forty five (45) days since the date of the public announcement, report their creditors’ rights to the liquidation committee.

If the liquidation committee, having thoroughly examined the Company’s property and prepared a balance sheet and schedule of assets, discovers that the Company’s property is insufficient to pay its debts in full, it shall apply to the People’s Court for a declaration of bankruptcy.

After the People’s Court has ruled for the Company to declare itself bankrupt, the Company’s liquidation committee shall refer the liquidation matters to the People’s Court.

Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit the same to the general meeting or the people’s court for confirmation, and submit the aforementioned documents to the company registration authority to apply for company deregistration, and announce the Company’s termination.

APPENDIX VI SUMMARY OF OUR ARTICLES OF ASSOCIATION

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

- (i) after the PRC Company Law or relevant laws and regulations are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones;
- (ii) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.