This appendix mainly provides investors with an overview of the Articles of Association. As the following information is a summary only, it may not contain all the information that may be important to investors.

SHARE ISSUANCE

The Company shall issue Shares with the principles of openness, fairness, and impartiality. Each Share of the same class shall have equal rights. Each Share of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each Share subscribed for by any subscribers.

The A Shares issued by the Company are deposited collectively at the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited.

The H Shares issued by the Company are maintained with a register of holders by an approved securities registrar in Hong Kong. The Company shall appoint an approved securities registrar to maintain the register of holders of H Shares in Hong Kong, and provide and operate an uncertificated securities registration and transfer system after the H shares become participating securities.

H Shares are issued, transferred and held in uncertificated form. For so long as the H Shares are participating securities, unless otherwise provided by applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed (including the USM Rules):

(I) the H Shares issued by the Company are only issued in uncertificated form, and no Share certificates will be issued for such H Shares;

(II) the Company does not issue Share certificates for the allotment, transfer, statutory succession, consolidation or subdivision of H Shares. Once any H Shares become a participating security, any new unit of such securities issued thereafter may only be in uncertificated form, and no title instruments (including Share certificates) will be issued therefor. For the avoidance of doubt, the Company's H Shares shall not constitute a separate class solely by virtue of being held in certificated or uncertificated form.

H Shares that have become participating securities may be rematerialized under the limited circumstances permitted under the USM Rules. After any rematerialization, the Company shall, as soon as reasonably practicable in accordance with the requirements of the USM Rules, issue the required number of Share certificates without charge to each relevant H Shareholder. Where one H Share is jointly held by two or more persons, only one Share certificate may be issued for such H Share.

The H Shares issued by the Company may, in accordance with the laws and the practice of securities registration and depository of the place where the Company's Shares are listed, are mainly deposited in the trusted companies subordinate to Hong Kong Securities Clearing Company Ltd., or may be held by Shareholders in their own names. The holders of H Shares regard the registration in the register of holders as the evidence for their ownership. To the extent permitted by applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, the transfer of H Shares shall be conducted through the UNSRT system without the use of written transfer instruments. The approved securities registrars of the Company may charge reasonable paperless fees to the holders and/or transferees of H Shares for the dematerialization of H Shares (not exceeding any applicable cap stipulated in the Code of Conduct for Approved Securities Registrars). Such fees may be charged regardless of whether the dematerialization is initiated by the Company or applied for by the holder or transferee.

Before the [**REDACTED**], the Company's Shares are composed of Shares with special voting rights (hereinafter referred to as "Class A Shares") and ordinary Shares (hereinafter referred to as "Class B Shares"). Shareholders eligible for holding Class A Shares shall be individuals who have made significant contributions to the Company's development or business growth and continue to serve as Directors of the Company, or the shareholding entities actually controlled by such individuals. Shareholders holding Class A Shares shall collectively hold at least 10% of all issued voting shares of the Company in which they have an interest. With the consent of all Shareholders, the Company has only one shareholder, namely Huang Yuanhao, who holds Class A Shares, and a portion of his Shares in the Company are Class A Shares.

The voting rights attached to each Class A Share are 5 times those attached to each Class B Share. Except for the difference in voting rights, Class A Shares and Class B Shares have exactly the same other Shareholder rights (including but not limited to the order of distributing profits or remaining assets). Class A Shares shall not be traded on the secondary market. The title documents or certificates of the Company's listed equity securities must clearly display the warning wording "Company with weighted voting right control" in a prominent position.

Shareholders holding Class B Shares must hold no less than 10% of the qualified voting rights for the resolutions of the Company's Shareholders' meeting.

Shareholders holding Class A Shares shall exercise their rights in accordance with applicable laws and regulations and the Articles of Associations, and shall not abuse special voting rights or use them to prejudice the legitimate rights and interests of minority investors.

Except for the circumstances of proportionate rights issue and conversion of capital reserve into share capital, the Company shall not issue special voting Shares at home or abroad, nor shall it increase the proportion of Class A Shares. If an increase in the proportion of Class A Shares occurs as the result of Share repurchase and other reasons, corresponding measures such as converting a corresponding number of Class A Shares into Class B Shares shall be taken at the same time to ensure that the proportion of Class A Shares is not higher than the original level.

The Company shall not take any action (including issue or repurchase of any class Shares) that results in (I) the total number of votes entitled to be cast by all holders of Class B Shares attending the Shareholders' meeting (for the avoidance of doubt, excluding persons who are also holders of Class A Shares) being less than 10% of the total number of votes entitled to be cast by all Shareholders at the Shareholders' meeting (excluding the voting rights attached to treasury Shares); or (II) an increase in the proportion of Class A Shares in the total number of issued Shares.

The Company shall not further allot, issue or grant Class A Shares, except for those carried out with the prior approval of the Hong Kong Stock Exchange and in accordance with the following: (I) an offer to subscribe for Shares is made to all Shareholders in proportion to their existing shareholdings (excluding fractional entitlements); (II) Shares are issued to all Shareholders on a pro-rata basis by means of scrip dividend; or (III) Share subdivision or other similar capital restructuring;

Provided that, notwithstanding any provisions of the Hong Kong Listing Rules, each Shareholder shall be entitled to subscribe for (in a pro rata offer) or be issued (in an issue of Shares by way of scrip dividends) Shares in the same class as the Shares then held by them, and the proposed allotment or issue will not result in an increase in the proportion of the issued Class A Shares, so that: (I) if, under a pro rata offer, any holder of Class A Shares does not take up any part of the Class A Shares or the rights thereto offered to them, such untaken Shares (or rights) shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class B Shares; and (II) to the extent that rights to Class B Shares in a pro rata offer are not taken up in their entirety (including, but not limited to, where the pro rata offering is not fully underwritten), the number of Class A Shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately, and where necessary, the holders of Class A Shares shall use their best endeavors to enable the Company to comply with this Article.

In the event the Company reduces the number of Shares in issue (after deducting treasury Shares) (e.g. through a purchase of its own Shares), the holders of Class A Shares shall reduce their weighted voting rights in the Company proportionately (for example through conversion of a portion of their shareholding with those rights into Shares without those rights), if the reduction in the number of Shares in issue (after deducting treasury Shares) would otherwise result in an increase in the proportion of Class A Shares.

The Company shall not change the terms of the Class A Shares to increase the weighted voting rights attached to that class. If the Company wishes to change the terms of the Class A Shares to reduce those rights it may do so but must, in addition to complying with any requirements under law, first obtain the prior approval of the securities regulatory authority of the place where the Company's Shares are listed and, if approval is granted, must announce the change.

Each Class A Share may be converted into one Class B Share by the holder at any time. When the holder of a Class A Share exercises such conversion right, they shall submit a written notice to the Company, notifying the Company that the relevant holder chooses to convert the specified number of Class A Shares into Class B Shares. The conversion of Class A Shares into Class B Shares shall be handled in accordance with the procedures stipulated by relevant laws and regulations, the Articles of Associations and the securities regulatory rules of the place where the Company's Shares are listed.

If any of the following circumstances occurs, the Class A Shares shall be converted into Class B Shares at a ratio of 1:1:

(I) the Shareholder holding Class A Shares no longer meets the qualification and minimum shareholding requirements stipulated in Article 24 hereof, or loses corresponding ability to perform duties, leaves office or deceases;

(II) the Shareholder holding Class A Shares no longer serves a Director of the Company;

(III) the Hong Kong Stock Exchange considers that the Shareholder holding Class A Shares has no capacity to perform the duties of a Director;

(IV) the Hong Kong Stock Exchange considers that the Shareholder holding Class A Shares no longer meets the provisions on Directors set out in the Hong Kong Listing Rules;

(V) the Shareholder holding Class A Shares transfers the corresponding Class A Shares held by them to others, or designate the voting rights attached to the corresponding Class A Shares to others for exercise;

(VI) a change of control of the Company occurs;

(VII) other circumstances required by laws and regulations and relevant normative documents.

If the circumstances mentioned in the preceding paragraph occur, Class A Shares shall be converted into Class B Shares immediately from the date of occurrence of the relevant circumstances. The relevant Shareholders shall notify the Company immediately, and the Company shall promptly disclose to all Shareholders the specific circumstances, time of occurrence, the number of Class A Shares converted into Class B Shares, the remaining number of Class A Shares and other information.

The conversion of Class A Shares into Class B Shares must be carried out by re-designating each Class A Share as one Class B Share at a one-for-one ratio. Such conversion shall take effect immediately after the relevant Class A Shares are re-designated as Class B Shares in the Share register. An issuer with a weighted voting right structure must first apply for approval from the Hong Kong Stock Exchange for the listing of the Shares required to be issued upon the conversion of Shares with weighted voting rights.

If none of the holders of Class A Shares at the time of the initial listing of the Company's Shares on the Hong Kong Stock Exchange hold the beneficial ownership of Class A Shares, all Class A Shares in the Company's authorized share capital must be automatically re-designated as Class B Shares, and the Company shall no longer issue Class A Shares.

The Company or any of its subsidiaries (including the Company's subsidiary undertakings) shall not provide financial assistance to any person for the acquisition of Shares of the Company or its parent company in the form of gift, advance, guarantee, borrowing or otherwise, except for the implementation of the employee stock ownership plan by the Company.

For the benefit of the Company, subject to a resolution of the Shareholders' meeting, or a resolution made by the Board in accordance with the Articles of Associations or the authorization of the Shareholders' meeting, and in compliance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, and after fulfilling the relevant procedures in accordance with the foregoing provisions, the Company may provide financial assistance for any person to acquire Shares of the Company, provided that the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. A resolution of the Board shall be passed by at least two-thirds of all Directors.

Where a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible Directors and senior management shall bear the liability for compensation.

INCREASE, DECREASE AND REPURCHASE OF SHARES

In accordance with the needs for operation and development and subject to the provisions of laws and regulations, the securities regulatory rules of the place where the Company's Shares are listed, the Company may increase its capital by the following methods upon resolution by the Shareholders' meeting:

(I) issuing Shares to unspecified persons;

(II) issuing Shares to specific persons;

(III) distribution of bonus Shares to Shareholders;

(IV) increasing the share capital by transferring the reserve fund;

(V) other methods prescribed by laws and administrative regulations and the securities regulatory authority of the place where the Company's Shares are listed

The Board may, in accordance with authorization of the Shareholders' meeting, decide to issue not more than 50% of the Shares in issue within three years. However, if the capital contributions are to be made using non-monetary assets, they shall be subject to a resolution made by the Shareholders' meeting.

Where the Board decides to issue Shares pursuant to the provisions of the preceding paragraph, resulting in a change in the registered capital or the number of Shares in issue of the Company, amendments to item set forth in the Articles of Associations may no longer be subject to voting at the Shareholders' meeting.

Where the Articles of Associations or the Shareholders' meeting authorizes the Board to decide on issuing new Shares, a resolution of the Board shall be adopted by two thirds or more of all the Directors.

The Company can reduce its registered capital. Where the Company reduces its registered capital, the reduction shall be in compliance with the Company Law, the securities regulatory rules of the place where the Company's Shares are listed and other relevant provisions and the procedures stipulated in the Articles of Associations.

The Company may not acquire its own Shares, except under any of the following circumstances:

(I) reduction in the Company's registered capital;

(II) merger with other companies holding Shares in the Company;

(III) use of Shares for employee ownership schemes or equity incentives;

(IV) where a Shareholder objects to a resolution of the Shareholders' meeting on the merger or spin-off of the Company and therefore requires the Company to acquire his/her Shares;

(V) use the Shares for converting into the Company's convertible corporate bonds;

(VI) where it is necessary for the Company to safeguard its value and Shareholder's rights and interests.

The Company may acquire its own Shares by way of public centralized trading, or other methods recognized by laws and regulations and the stock exchange and securities regulatory institutions of the place where the Company's Shares are listed.

Where the Company acquires shares in the Company under the circumstances specified in items (III), (V) and (VI) above, such acquisition shall be conducted by way of public centralized trading.

Where the Company acquires its own Shares under circumstances specified in items (I) to (II) above, such acquisition shall be subject to a resolution by the Shareholders' meeting. Where the Company acquires its own Shares specified in items (III), (V) and (VI) above, such acquisition shall, in compliance with the securities regulatory rules of the stock exchange where the Company's Shares are listed, be subject to a resolution at a Board meeting attended by two-thirds or more of the Directors in accordance with the provisions of the Articles or the authorization of the Shareholders' meeting.

For the purpose of A Shares, subject to compliance with the securities regulatory rules where the Company's Shares are listed, after the Company has repurchased its own Shares in accordance with the Articles of Associations, the Shares so repurchased shall be canceled within 10 days from the date of purchase (in the case of the circumstance set out in item (I) above), or shall be transferred or canceled within six months (in the case of the circumstances set out in items (II) and (IV) above). Where the Company repurchases its own Shares under the circumstances in items (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.

Notwithstanding the foregoing, where applicable laws and regulations, securities regulatory rules of where the Company's Shares are listed, other provisions of Articles and the laws or securities regulatory authority of the place where the Company's Shares are listed provide otherwise with respect to the foregoing matters relating to the repurchase of the Company's Shares, the Company shall comply with such provisions.

TRANSFER OF SHARES

Shares held by a Shareholder of the Company may be transferred to other Shareholders or to persons other than Shareholders, and the Shares of the Company shall be transferred in accordance with laws.

Except as otherwise provided by applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, for so long as the H Shares of the Company are participating securities, the transfer of H Shares shall be effected by a specified request from the transferor and transferee that complies with the USM Rules, without the submission of a physical instrument of transfer. Upon completion of the transfer at the specified request, the Company shall not issue any paper share certificate in respect of the Shares so transferred. The approved securities registrar of the Company may charge a reasonable fee (not exceeding any applicable cap prescribed under the Code of Conduct for Approved Securities Registrars) for registering any specified request or other document relating to the ownership of any H Shares. If there is any subsequent change in the relevant laws and regulations in relation to paper securities (including the uncertificated securities market), the latest applicable laws and regulations in force at the time shall prevail. Notwithstanding the foregoing, if after using its best endeavors to facilitate the use of specified requests, the Board is satisfied that it is not reasonably practicable to effect a transfer by a specified request, H Shares held in uncertificated form may be transferred by an instrument of transfer.

Without prejudice to the other provisions of this Article, the Board has the power to refuse to register a transfer of H Shares where: (I) the H Shares are in uncertificated form and the specified request has not been sent in accordance with the operating rules of the approved securities registrar of the Company, or an instrument of transfer has been submitted; (II) the transferor, transferee or successor in interest (as the case may be) of the H Shares is not a system member of the uncertificated securities registration and transfer system operated by the approved securities registrar of the Company; or (III) any other reason prescribed in the USM Rules. Where the Board refuses to register a transfer of H Shares, it shall send a notice of refusal to the transferor and the transferee within the period specified in the Code of Conduct for Approved Securities Registrars.

In relation to the legal succession of H Shares, if the successor in interest elects to transfer the H Shares to another person, the successor in interest shall send a specified request in respect of such H Shares, unless the Board is satisfied that it is not reasonably practicable to effect the transfer by a specified request, in which case H Shares held in uncertificated form may be transferred by an instrument of transfer. All restrictions, constraints and other provisions in the Articles of Associations on the right to transfer H Shares and the registration of such transfers shall apply to the transfer of Shares arising from legal succession. Such transfer of Shares shall not affect the application of the aforesaid restrictions, constraints and provisions, and shall be deemed to be a transfer made by the holder of the H Shares prior to the occurrence of the legal succession.

The Company shall not accept its own Shares as the collateral for a pledge.

Shares issued by the Company prior to its initial public offering of A Shares shall not be transferred within one year from the date on which the A Shares of the Company are listed and traded on the Shanghai Stock Exchange. Where laws, administrative regulations or the securities regulatory authority under the State Council have other provisions regarding the transfer of the Company's Shares held by the Shareholders and the actual controller(s) of the Company, such provisions prevail.

The Directors and the senior management members of the Company shall report to the Company on the Shares of the Company (including Class A Shares and Class B Shares) held by them and the changes therein. The number of Shares transferred in each year during the term of his/her office determined at the time of their assumption of office shall not exceed 25% of the total number of Shares of the same class of the Company held by them. The Shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the Company's Shares. The personnel mentioned above shall not transfer the Shares of the Company held by them within half a year after their resignation.

If the pledge of the Shares is made within the lock-up period stipulated by the laws and administrative regulations, the pledgee shall not exercise the right of pledge within such period.

Where the laws, administrative regulations or the securities regulatory rules of the place where the Company's Shares are listed provide otherwise with respect to restrictions on the transfer of Shares of the Company, such provisions prevail.

If a Shareholder, a Director or any senior management member of the Company holding 5% or more of the Shares of the Company sells his/her Shares or other equity securities in the Company within six months after the purchase or re-purchase such Shares within six months after the sale, the proceeds therefrom shall belong to the Company, and the Board of the Company shall recover the proceeds therefrom, unless under a circumstance where a securities company purchases the Shares not taken up in the underwriting, resulting in holding 5% or more of the Shares, or under any other circumstances prescribed by the CSRC or the securities regulatory rules of the place where the Company's Shares are listed. The aforesaid Shareholders holding 5% or more of the Shares of the Company do not include a recognized clearing house or its agent as defined in relevant ordinances in force from time to time under the laws of Hong Kong.

The Shares or any other equity securities held by the Directors and the senior management members, and the natural person shareholders mentioned above include the Shares or any other equity securities held by their spouses, parents, and children, and held through the accounts of others.

If the Board of the Company fails to comply with the provisions above, the Shareholders have the right to request the Board to make a rectification within 30 days. If no rectification is made by the Board of the Company within the time limit above, the Shareholders have the right to directly file a lawsuit with the people's court in their own name for the benefit of the Company.

If the Board of the Company fails to comply with the provisions above, the responsible Directors shall assume joint and several liabilities in accordance with laws.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall maintain a register of members (which, in respect of H Shares, has the same meaning as the register of holders) as the sufficient evidence for the Shareholders' shareholdings in the Company based on certificates, paperless records or other evidence provided by the securities registration and settlement institution. A Shareholder enjoys relevant rights and assumes relevant obligations in accordance with the class of Shares he/she holds. Shareholders holding the same class of Shares enjoy the same rights and assume the same obligations. Except for the differences in voting rights stipulated in the Articles of Association, the other Shareholders' rights attached to Class A Shares and Class B Shares held by the Shareholders of the Company shall be exactly the same. Shareholders holding Class A Shares shall exercise their rights in accordance with the applicable laws and regulations and the Articles of Association, and shall not abuse the special voting rights or use the special voting rights to prejudice the legitimate rights and interests of other Shareholders.

The original register of holders of H Shares shall be kept in Hong Kong and shall be available for inspection by Shareholders. Any Shareholder shall have the right to inspect and take copies of any entries in the register of holders relating to him/her. In respect of H Shares which are participating securities: (I) the register of holders shall be maintained and updated in accordance with the Uncertificated Securities Market Rules and shall contain the particulars required to be recorded under such rules; (II) where Shares are held in uncertificated form, the register of holders shall record such Shares as being in uncertificated form; (III) in the absence of evidence to the contrary, an entry in the register of holders reflecting that any holder's Shares are held in uncertificated form shall be conclusive evidence of such holder's ownership of such Shares.

The Company may close the register of holders of H Shares or the register of holders of H Shares in Hong Kong in accordance with the applicable laws, regulations and the securities regulatory rules of the place where the Company's Shares are listed. For so long as the H Shares are participating securities, the closure shall also be subject to the scope and duration prescribed under the uncertificated securities market regime of the place where the Company's Shares are listed. For the avoidance of doubt, for so long as the H Shares are participating securities, the power of the Board to close the register of holders of H Shares shall be subject to the Uncertificated Securities Market Rules.

In respect of H Shares which are participating securities, the register of holders of H Shares shall clearly record whether the H Shares are held in uncertificated form. The Company shall procure that the approved securities registrar notifies the relevant shareholder of any change in the register of holders relating to a shareholder or his/her position in uncertificated form in accordance with the uncertificated securities market regime and the Code of Conduct for Approved Securities Registrars promulgated by the Securities and Futures Commission of Hong Kong. The Company shall maintain the register of holders in accordance with the USM Rules and record therein the particulars required to be recorded under such rules. Where any H Shares are issued in uncertificated form or dematerialized, such H Shares shall be recorded as being in uncertificated form in the register of holders, and such record shall not be amended or deleted except in accordance with the USM Rules. Any person may inspect and copy entries in the register of holders and request a copy of any entries in the register of holders in accordance with the USM Rules.

Any Shareholder whose name is entered in the register of holders of H Shares, or any person requesting to have his/her name entered in the register of holders of H Shares, who loses the title instruments relating to his/her paper H Shares, may apply to the Company for the disposition of such Shares in accordance with the USM Rules and other uncertificated securities market regimes then in force.

When the Company convenes a Shareholders' meeting, distributes dividends, conducts liquidation or engages in any other acts requiring the determination of the identification of the Shareholders, the Board or the convener of the Shareholders' meeting shall determine the record date. The Shareholders whose names appear on the register of members after the end of the trading hours on the record date shall be those entitled to relevant rights and interests. Where the laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's Shares are listed, and the stock exchange or regulatory authorities provide for the closure of the register of members before the convening of a Shareholders' meeting or before the base date for the distribution of dividends determined by the Company, such provisions prevail.

A Shareholder of the Company shall be entitled to the following rights:

(I) to receive distribution of dividends and any other forms of benefits according to the number of Shares held by them;

(II) to request, convene, hold, preside over, participate in or appoint a proxy to participate in the Shareholders' meeting and exercise corresponding speaking and voting rights thereat in accordance with laws;

(III) to supervise the Company's operations, and provide recommendations or make enquiries thereon;

(IV) to transfer, grant and pledge the Shares held by he/she in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

(V) to inspect and produce the Articles, register of members (register of holders), minutes of Shareholders' meeting, resolutions of the Board, and financial and accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and vouchers;

(VI) to participate in the distribution of the remaining assets of the Company in proportion to the number of Shares held by he/she in the event of termination or liquidation of the Company;

(VII) to request the Company to buy back their Shares if the Shareholders object to the resolution on merger or division proposed at the Shareholders' meeting;

(VIII) any other rights as provided for 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.

The Articles of Association, resolutions of the Shareholders' meeting or resolutions of the Board shall be in compliance with the laws and regulations, and must not deprive of or restrict the legal rights of Shareholders. The Company shall be liable to protect the legitimate rights of Shareholders and ensure they are treated fairly.

A Shareholder who requests to inspect or produce relevant documents of the Company shall comply with the provisions of Company Law, the Securities Law and other laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed, and provide written documents proving the classes and numbers of Shares of the Company they hold to the Company. The Company shall provide such information as requested by the shareholder after Shareholder's identity is verified.

Where the content of a resolution of the Shareholders' meeting and the Board meeting of the Company violates laws or administrative regulations, the Shareholders are entitled to request the people's court to hold it invalid.

If the convening procedures or voting methods of the Shareholders' meeting and the Board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the Shareholders are entitled to request the people's court to revoke the resolution within 60 days from the date it is passed, except where there are only minor defects in the convening procedures or voting methods of the Shareholders' meeting and the Board meeting, which do not materially affect the resolution(s). Shareholders who are not notified to attend the Shareholders' meeting may request the people's court to revoke the resolution within 60 days from the date they become aware or ought to become aware of the resolution. If they fail to exercise the right to revoke within one year from the date the resolution was passed, the right to revoke shall be extinguished.

If a Director (other than a member of the Audit Committee) or a senior management member violates the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association in the performance of his/her duties and causes losses to the Company, he/she shall be liable for compensation.

If a Director (other than a member of the Audit Committee) or a senior management member violates laws, administrative regulations or the Articles of Association in the performance of his/her duties and causes loss to the Company, a Shareholder individually or Shareholders jointly holding 1% or more of the Shares of the Company for at least 180 consecutive days shall have the right to request in writing the Audit Committee to initiate a lawsuit with a people's court on behalf of the Company. If a member of the Audit Committee violates the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association in the performance of his/her duties and causes losses to the Company, the aforesaid Shareholder may request in writing the Board to initiate legal proceedings with the people's court.

In the event that the Audit Committee or the Board refuses to initiate proceedings upon receipt of the Shareholders' written request specified in the preceding paragraph, or fails to initiate proceedings within 30 days upon receipt of such request, or in the event that the failure to immediately initiate proceedings in an emergency case will cause irreparable damage to the interests of the Company, the Shareholders specified in the preceding paragraph may, in their own name, directly initiate proceedings with a people's court for the interests of the Company.

If any Directors or senior management members violate the laws, administrative regulations, or the provisions of the Articles of Association and jeopardize the interests of the Shareholders, the Shareholders may initiate proceedings with a people's court.

The Company shall be liable for any damage to others caused by a Director or any senior management member in the performance of his/her duties. The Director or the senior management member in question shall also be liable if such damage is caused by his/her intentional or gross negligence.

Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association;

(II) to pay subscription monies according to the number of Shares subscribed for by them and the method of subscription;

(III) not to withdraw his/her capital contribution except as required by the laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed;

(IV) not to abuse the rights of shareholders to damage the interests of the Company or other Shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of Shareholders to damage the interests of the creditors of the Company.

(V) to fulfil any other obligations imposed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

If a Shareholder of the Company abuses his/her rights as Shareholder and causes losses to the Company or other Shareholders, he/she shall be liable for compensation in accordance with laws. If a Shareholder of the Company abuses the independent status of the Company as a legal person and the limited liability of Shareholders to evade debts, seriously harming the interests of the Company's creditors, he/she shall bear joint and several liabilities for the Company's debts.

If a Shareholder uses two or more companies under his/her control to commit the acts referred to in the preceding paragraph, each such company shall bear joint and several liability for the debts of any one of such companies.

CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

The Controlling Shareholder(s) and actual controller(s) of the Company shall comply with the following provisions:

(I) to exercise their rights as Shareholders in accordance with laws, and not to abuse their controlling power or to use their connected relationship to prejudice the legitimate interests of the Company or other Shareholders;

(II) to strictly implement the public statements and undertakings made and shall not change or waive them without authorization;

(III) to fulfill information disclosure obligations in strict compliance with relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are about to occur;

(IV) not to misappropriate the Company's funds in any way;

(V) not to order, instruct, or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(VI) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(VII) not to prejudice the legitimate rights and interests of the Company and other Shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;

(VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;

(IX) to act in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and other provisions of the Articles of Association.

Where a Controlling Shareholder or an actual controller of the Company instructs a Director or a senior management member to engage in an act that is detrimental to the interests of the Company or the Shareholders, he/she shall bear joint and several liabilities with the Director or senior management member.

GENERAL PROVISIONS ON SHAREHOLDERS' MEETING

The Shareholders' meeting of the Company shall be composed of all the Shareholders. The Shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

(I) to elect and replace Directors who are not employee representatives and to decide on matters concerning the remuneration of Directors;

(II) to consider and approve the report of the Board;

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

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

(V) to resolve on the issue of corporate bonds;

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

(VII) to amend the Articles of Association;

(VIII) to resolve on the Company's appointment and dismissal of the accounting firm undertaking the auditing business of the Company;

(IX) to consider and approve the guarantee matters stipulated in Article 62 of the Articles of Association;

(X) to consider matters concerning the purchase or sale of major assets by the Company exceeding 30% of its latest audited total assets within one year;

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

(XII) to consider the share incentive schemes and employee shareholding plans;

(XIII) to authorize the Board to resolve on the issue of corporate bonds;

(XIV) to consider other matters which shall be decided by the Shareholders' meeting as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following external guarantee activities of the Company shall be subject to consideration and approval by the Shareholders' meeting:

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

(II) any guarantee provided after the aggregate amount of external guarantees of the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets of the Company;

(III) any guarantee provided to a guarantee recipient whose debt-to-asset ratio exceeds 70%;

(IV) any guarantee provided by the Company to others within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(V) any guarantee provided after the aggregate amount of external guarantees of the Company exceeds 30% of its latest audited total assets;

(VI) any guarantee provided to a Shareholder, actual controller or its connected person;

(VII) other guarantee circumstances which require consideration and approval by the Shareholders' meeting as provided by the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

Subject to the other provisions of the Articles of Association, item (IV) above shall be passed by two thirds or more of the voting rights held by the Shareholders present at the meeting.

Where the Company provides a guarantee for a wholly-owned subsidiary, or provides a guarantee for a controlling subsidiary and the other shareholders of the controlling subsidiary provide guarantees in the same proportion according to their interests and no prejudice is caused to the interests of the Company, the provisions of items (I) to (III) of the preceding paragraph may be exempted.

Where a Shareholders' meeting violates the approval authority and review procedures for external guarantees, the relevant Shareholders who violated such approval authority and review procedures shall be jointly and severally liable.

Where a transaction of the Company (other than the provision of a guarantee) meets any of the following criteria, it shall be submitted to the Shareholders' meeting for consideration:

(I) the total assets involved in the transaction (where both the book value and the appraised value exist, the higher shall prevail) account for 50% or more of the latest audited total assets of the Company;

(II) the consideration of the transaction accounts for 50% or more of the market capitalisation of the Company;

(III) the net assets of the subject of transaction (such as equity interests) for the most recent financial year account for 50% or more of the market capitalisation of the Company;

(IV) the relevant operating revenue of the subject of transaction (such as equity interests) for the most recent financial year accounts for 50% or more of the audited operating revenue of the Company for the most recent financial year and exceeds RMB50 million;

(V) the profits generated from the transaction account for 50% or more of the audited net profits of the Company for the most recent financial year and exceed RMB5 million;

(VI) the relevant net profits of the subject of transaction (such as equity interests) in the latest financial year account for 50% or more of the audited net profits of the Company for the most recent financial year and exceed RMB5 million;

(VII) a transaction between the Company and a connected person the amount of which (other than the provision of a guarantee) accounts for 1% or more of the latest audited total assets or market capitalisation of the Company and exceeds RMB30 million;

(VIII) other transactions which require Shareholders' approval under the securities regulatory rules of the place where the Company's Shares are listed (including but not limited to Chapters 14 and 14A of the Hong Kong Listing Rules).

Shareholders' meetings shall be divided into annual Shareholders' meeting and extraordinary Shareholders' meeting. An annual Shareholders' meeting shall be held once every year and shall be held within six months after the end of the preceding financial year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date on which any of the following circumstances occurs:

(I) the number of Directors is less than the number stipulated in the PRC Company Law or two-thirds or more of the number stipulated in the Articles of Association;

(II) the losses of the Company which have not been made up amount to one-third or more of the total share capital;

(III) Shareholders holding, individually or in aggregate, 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) so request;

(IV) the Board considers it necessary;

(V) the Audit Committee proposes to convene such a meeting;

(VI) one-half or more of the independent Directors propose to convene such a meeting and the Board considers and approves the same;

(VII) other circumstances provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The shareholding referred to in item (III) above shall be calculated by reference to the Shares of the Company held by the Shareholders on the date on which they submit the written request.

The time limit of "convening an extraordinary Shareholders' meeting within two months" provided in items (III), (V) and (VI) above shall commence from the date on which the Board receives the written proposal submitted by the proposing Shareholders, the Audit Committee or the independent Directors that meets the conditions stipulated in the Articles of Association.

If an extraordinary Shareholders' meeting is convened in response to the provisions of the securities regulatory rules of the place where the Company's Shares are listed, the actual date of the extraordinary Shareholders' meeting may be adjusted according to the progress of approval by the securities regulatory authority of the place where the Company's Shares are listed (if applicable).

Convening of Shareholders' Meetings

A Shareholders' meeting shall be convened by the Board. If the Board is unable to perform, or fails to perform, its duty to convene Shareholders' meetings, the Audit Committee shall promptly convene and chair the meeting; if the Audit Committee fails to convene and chair the meeting, Shareholders who have individually or in aggregate held 10% or more of the Shares of the Company (including Class A Shares and Class B Shares) for at least 90 consecutive days may convene and chair the meeting themselves.

The Board shall convene Shareholders' meetings on time within the prescribed period.

Upon consideration by a special meeting of the independent Directors and approval by a majority of all the independent Directors, the independent Directors shall be entitled to propose to the Board the convening of an extraordinary Shareholders' meeting. In respect of a proposal by the independent Directors to convene an extraordinary Shareholders' meeting, the Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, give written feedback within 10 days upon receipt of the proposal as to whether or not it agrees to convene the extraordinary Shareholders' meeting. If the Board agrees to convene the extraordinary Shareholders' meeting, it shall dispatch the notice of the Shareholders' meeting within five days after passing the resolution of the Board; if the Board does not agree to convene the extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

Where the Audit Committee proposes to the Board the convening of an extraordinary Shareholders' meeting, it shall do so in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association give written feedback within 10 days upon receipt of the proposal as to whether or not it agrees to convene the extraordinary Shareholders' meeting.

If the Board agrees to convene the extraordinary Shareholders' meeting, it will dispatch the notice of the Shareholders' meeting within five days after passing the resolution of the Board, and any change to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board does not agree to convene the extraordinary Shareholders' meeting, or fails to give feedback within 10 days upon receipt of the proposal, the Board shall be deemed to be unable to perform, or to have failed to perform, its duty to convene Shareholders' meetings, and the Audit Committee may convene and chair the meeting itself.

Where Shareholders holding, individually or in aggregate, 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) request the Board to convene an extraordinary Shareholders' meeting, they shall do so in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association give written feedback within 10 days upon receipt of the request as to whether or not it agrees to convene the extraordinary Shareholders' meeting.

If the Board agrees to convene the extraordinary Shareholders' meeting, it shall dispatch the notice of the Shareholders' meeting within five days after passing the resolution of the Board, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board does not agree to convene the extraordinary Shareholders' meeting, or fails to give feedback within 10 days upon receipt of the request, Shareholders holding, individually or in aggregate, 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) may propose to the Audit Committee the convening of an extraordinary Shareholders' meeting, and shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene the extraordinary Shareholders' meeting, it shall dispatch the notice of the Shareholders' meeting within five days after receipt of the request, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Audit Committee fails to dispatch the notice of the Shareholders' meeting within the prescribed period, the Audit Committee shall be deemed to have failed to convene and chair the Shareholders' meeting, and Shareholders who have individually or in aggregate held 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) for over 90 consecutive days may convene and chair the meeting themselves.

Where the Audit Committee or the Shareholders decide to convene a Shareholders' meeting themselves, they shall notify the Board in writing and, in accordance with the securities regulatory rules of the place where the Company's Shares are listed, complete the necessary reporting, announcement or filing.

The Audit Committee or the convening Shareholders shall, at the time of the notice of the Shareholders' meeting and the announcement of the resolution of the Shareholders' meeting, submit the relevant supporting materials to the relevant securities regulatory authority in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

Prior to the announcement of the resolution of the Shareholders' meeting, the shareholding of the convening Shareholders (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) shall not be less than 10%.

In respect of a Shareholders' meeting convened by the Audit Committee or the Shareholders themselves, the Board and the Board secretary shall cooperate. The Board will provide the register of members as at the record date.

The expenses necessary for a Shareholders' meeting convened by the Audit Committee or the Shareholders themselves shall be borne by the Company.

Proposals and Notice of Shareholders' Meetings

The contents of a proposal for a Shareholders' meeting shall fall within the functions and powers of the Shareholders' meeting, shall have clear subject matters and specific matters for resolution, and shall comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board, the Audit Committee and Shareholders holding, individually or in aggregate, 1% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled), or holders of Class B Shares holding, individually or in aggregate, 10% or more of the Shares of the Company (for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled), shall be entitled to submit proposals to the Company. An interim proposal shall have clear subject matters and specific matters for resolution. The Company shall not raise the shareholding requirement for Shareholders submitting interim proposals.

Shareholders holding, individually or in aggregate, 1% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) may submit an interim proposal 10 days prior to the convening of the Shareholders' meeting and deliver it in writing to the convener. The convener shall, within two days after receipt of the proposal, dispatch a supplemental notice of the Shareholders' meeting, announce the contents of the interim proposal and submit the interim proposal to the Shareholders' meeting for consideration, unless the interim proposal violates the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association, or does not fall within the functions and powers of the Shareholders' meeting. If, in accordance with the securities regulatory rules of the place where the Company's Shares are listed, the Shareholders' meeting is required to be postponed as a result of the publication of a supplemental notice of the Shareholders' meeting, 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.

Save as provided in the preceding paragraph, after announcing the notice of the Shareholders' meeting, the convener shall not amend the proposals already set out in the notice of the Shareholders' meeting or add new proposals.

The Shareholders' meeting shall not vote on and resolve any proposal which is not set out in the notice of the Shareholders' meeting or which does not comply with the provisions of the Articles of Association.

The convener shall notify all Shareholders in writing (including by way of announcement) 21 days prior to the convening of an annual Shareholders' meeting, and 15 days prior to the convening of an extraordinary Shareholders' meeting.

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

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

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

(III) a statement prominently stating that all Shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote on their behalf, and that such proxy need not be a Shareholder of the Company;

(IV) the record date for Shareholders entitled to attend the Shareholders' meeting;

(V) the name and telephone number of the standing contact person for the meeting;

(VI) the voting time and voting procedures for voting by network or other means;

(VII) other contents which should be included in the notice as provided by the relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association;

(VIII) the notice of the Shareholders' meeting shall contain a statement explaining the right of H Shareholders to appoint proxies and the limitation on the number of proxies.

After the notice of a Shareholders' meeting has been dispatched, the Shareholders' meeting shall not be postponed or cancelled, and the proposals set out in the notice of the Shareholders' meeting shall not be cancelled, without good reason. Once a postponement or cancellation occurs, the convener shall make an announcement and explain the reasons at least two business days prior to the originally scheduled date. Where the securities regulatory rules of the place where the Company's Shares are listed contain special provisions on the procedures for postponing or cancelling a Shareholders' meeting, the relevant provisions shall also be complied with.

Holding of Shareholders' Meetings

All Shareholders and their proxies registered in the register of members as at the record date pursuant to the securities regulatory rules of the place where the Company's Shares are listed shall be entitled to attend the Shareholders' meeting, to speak at the Shareholders' meeting and to exercise voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association (unless an individual Shareholder is required to abstain from voting on a particular matter under the securities regulatory rules of the place where the Company's Shares are listed).

Shareholders may attend a Shareholders' meeting in person or appoint a proxy to attend, speak and vote on their behalf. Each Shareholder shall be entitled to appoint one proxy, but such proxy need not be a Shareholder of the Company. If a Shareholder is a legal person, it may appoint a representative to attend any Shareholders' meeting of the Company and vote thereat, and if such corporate Shareholder has appointed a representative to attend any meeting, it shall be deemed to be personally present. A corporate Shareholder may execute a form of proxy by its duly authorized officer. Such proxy may, in accordance with the appointment by the Shareholder, exercise the following rights:

(I) the right of such Shareholder to speak at the Shareholders' meeting;

(II) to demand a poll on its own or together with others;

(III) to exercise voting rights by a show of hands or by poll (unless such Shareholder is required to abstain from voting on a particular matter under the securities regulatory rules of the place of listing), unless otherwise provided by the relevant laws, administrative regulations and the listing rules of the stock exchange or other securities laws and regulations.

Where an individual Shareholder attends a meeting in person, he/she shall produce his/her identity card or other valid document or certificate evidencing his/her identity; where a proxy attends a meeting on behalf of another person, he/she shall produce his/her valid identity document, the power of attorney from the Shareholder and a copy of the identity document of the principal.

A corporate Shareholder shall be represented at a meeting by its legal representative or a proxy appointed by its legal representative. If the legal representative attends the meeting, he/she shall produce his/her identity card and a valid certificate evidencing his/her capacity as legal representative; if a proxy attends the meeting, the proxy shall produce his/her identity card, a written power of attorney duly issued by the legal representative of the corporate Shareholder and a copy of the business license of the corporate Shareholder, except where the Shareholder is a recognized clearing house and its nominee(s) as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or in the securities regulatory rules of the place where the Company's Shares are listed.

If a Shareholder is a recognized clearing house (or its nominee(s)) as defined in the relevant ordinances in force from time to time in Hong Kong or the securities regulatory rules of the place where the Company's Shares are listed, such Shareholder may authorize its corporate representative or any one or more persons it considers appropriate to act as its proxy or representative at any Shareholders' meeting or any meeting of creditors; provided that, if one or more persons are authorized, the instrument of authorization shall specify the number and class of Shares in respect of which each such person is so authorized. A person so authorized may exercise the rights on behalf of such Shareholder (without producing evidence of shareholding, notarized authorization and/or further evidence of due authorization), and shall be entitled to the same statutory rights as other Shareholders, including the right to speak and to vote, as if such person were an individual Shareholder of the Company.

Where a Shareholders' meeting requires the attendance of Directors and members of the senior management, the Directors and members of the senior management shall attend and accept inquiries from Shareholders.

Shareholders' meetings shall be chaired by the chairman of the Board. If the chairman is unable to perform, or fails to perform, his duties, a Director shall be jointly elected by more than half of the Directors to chair the meeting. A Shareholders' meeting convened by the Audit Committee itself shall be chaired by the convener of the Audit Committee. If the convener of the Audit Committee is unable to perform, or fails to perform, his/her duties, a member of the Audit Committee shall be jointly elected by more than half of the members of the Audit Committee to chair the meeting. A Shareholders' meeting convened by the Shareholders themselves shall be chaired by the convener or a representative elected by it. If, at a Shareholders' meeting, the chairman of the meeting violates the rules of procedure such that the Shareholders' meeting cannot continue, the Shareholders' meeting may, with the consent of more than half of the voting rights held by the Shareholders present at the Shareholders' meeting, elect a person to act as the chairman of the meeting and continue the meeting.

Voting and Resolutions at Shareholders' Meetings

Resolutions of a Shareholders' meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution of a Shareholders' meeting shall be passed by one-half or more of the voting rights held by the Shareholders (including Shareholders' proxies) present at the Shareholders' meeting. A special resolution of a Shareholders' meeting shall be passed by two-thirds or more of the voting rights held by the Shareholders (including Shareholders' proxies) present at the Shareholders' meeting. When the holders of Class A Shares and Class B Shares vote on all resolutions submitted to a Shareholders' meeting of the Company for voting, the holders of Class A Shares shall be entitled to five votes per Share and the holders of Class B Shares shall be entitled to one vote per Share, provided that, when the Shareholders' meeting votes on resolutions in respect of the following matters, the number of votes attached to each Class A Share shall be the same as the number of votes attached to each Class B Share, that is, one vote each:

(I) any amendment to the Articles of Association;

(II) any change to the number of votes attached to the Class A Shares or any variation of the rights attached to any class of Shares;

(III) the appointment or removal of independent Directors of the Company;

(IV) the appointment or removal of the accounting firm that issues audit opinions on the Company's periodic reports;

(V) the merger, division, dissolution (including voluntary winding-up) or change of corporate form of the Company;

(VI) any change to the Company's principal business;

(VII) the consideration of the Company's profit distribution plan and loss recovery plan;

(VIII) other matters as required by the securities regulatory rules of the place where the Company's Shares are listed.

A resolution of the Shareholders' meeting on item (II) above shall be passed by two-thirds or more of the voting rights held by the Shareholders present at the meeting, provided that the conversion of the corresponding number of Class A Shares into Class B Shares in accordance with Articles 26 and 31 of the Articles of Association shall not be subject to the aforesaid requirement of being passed by two-thirds or more of the voting rights.

To the extent permitted by the securities regulatory rules of the place where the Company's Shares are listed, when voting, a Shareholder (including a Shareholder's proxy) with two or more votes need not cast all of its votes in favour, against or by way of abstention.

The following matters shall be passed by the Shareholders' meeting by ordinary resolution:

(I) the report of the Board;

(II) the appointment and dismissal of the accounting firm;

(III) the appointment and removal of the members of the Board and their remuneration and method of payment;

(IV) the issue of corporate bonds;

(V) the profit distribution plan and loss recovery plan formulated by the Board;

(VI) other matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association to be passed by special resolution.

The following matters shall be passed by the Shareholders' meeting by special resolution:

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

(II) the division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) or change of corporate form of the Company;

(III) the amendment of the Articles of Association;

(IV) the purchase or sale of major assets by the Company within one year, or the provision of guarantees to others, in an amount exceeding 30% of the latest audited total assets of the Company;

(V) share incentive schemes;

(VI) other matters provided by laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association, and those which the Shareholders' meeting determines by ordinary resolution as having a material impact on the Company and requiring to be passed by special resolution.

The Shares of the Company held by the Company shall carry no voting rights, and such Shares shall not be counted in the total number of Shares carrying voting rights present at a Shareholders' meeting.

Where a Shareholder acquires voting Shares of the Company in violation of the provisions of the first and second paragraphs of Article 63 of the PRC Securities Law, the Shares in excess of the prescribed proportion shall not be entitled to voting rights within 36 months after their acquisition, and shall not be counted in the total number of Shares carrying voting rights present at a Shareholders' meeting. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

In accordance with the securities regulatory rules of the place where the Company's Shares are listed, if any Shareholder is required to abstain from voting on a resolution, or any Shareholder is restricted to voting only in favor of (or against) a resolution, the votes cast by such Shareholder or its proxy in breach of the relevant provisions or restrictions shall not be counted in the total number of Shares carrying voting rights.

When a Shareholders' meeting considers major matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of the separate count shall be publicly disclosed in a timely manner.

The Board of the Company, the independent Directors, Shareholders holding 1% or more of the voting Shares, or an investor protection institution established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the place where the Company's Shares are listed may publicly solicit voting rights from Shareholders. When soliciting voting rights from Shareholders, the specific voting intentions and other information shall be fully disclosed to the persons solicited. It is prohibited to solicit voting rights from Shareholders for consideration or disguised consideration. Save for the statutory conditions, the Company shall not impose a minimum shareholding requirement on the solicitation of voting rights. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

When a Shareholders' meeting considers matters concerning connected-party transactions, the connected Shareholders shall not participate in the voting, and the number of voting Shares represented by them (including Class A Shares and Class B Shares) shall not be counted in the total number of valid votes; such connected-party transaction matters shall be voted on by the non-connected Shareholders present at the meeting, and the connected-party transaction matter shall be passed if more than half of the valid votes are in favor; if such transaction matter falls within the scope of a special resolution, it shall be passed by two-thirds or more of the valid votes. The announcement of the resolution of the Shareholders' meeting shall fully disclose the voting by the non-connected Shareholders.

DIRECTORS AND THE BOARD

General Provisions on Directors

The Directors of the Company shall be natural persons and shall possess the qualifications required by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's Shares are listed. A person may not serve as a Director of the Company under any of the following circumstances:

(I) he/she has no capacity for civil conduct or has limited capacity for civil conduct;

(II) he/she has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, misappropriation of funds or disruption of the order of the socialist market economy, or has been deprived of political rights for a crime, and less than five years have elapsed since the expiry of the execution period, or, where he/she has been granted a suspended sentence, less than two years have elapsed since the expiry of the probation period;

(III) he/she served as a director, factory manager or manager of a company or enterprise in bankruptcy liquidation and was personally responsible for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(IV) he/she served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close for violating the law and was personally responsible, and less than three years have elapsed since the revocation of the business license or the order to close of such company or enterprise;

(V) he/she has been listed by the People's Court as a dishonest judgment debtor for failing to satisfy a relatively large debt due;

(VI) he/she has been subject to a market ban imposed by the CSRC prohibiting him/her from serving as a director or member of the senior management of a listed company, and the period of such ban has not expired;

(VII) he/she has been determined by the securities regulatory authority of the place where the Company's Shares are listed as unsuitable to serve as a director or member of the senior management of a listed company, and the period of such determination has not expired;

(VIII) other circumstances provided by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's Shares are listed. Any election or appointment of Directors in violation of this Article shall be invalid. If a Director falls within any of the circumstances set out in this Article during his/her term of office, the Company will remove him/her from office and terminate his/her performance of duties.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, owe a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to obtain improper benefits. Directors owe the following duties of loyalty to the Company:

(I) they shall not misappropriate the property of the Company or misappropriate the funds of the Company;

(II) they shall not deposit the funds of the Company in accounts opened in their own names or in the names of other individuals;

(III) they shall not use their powers to offer bribes or accept other illegal income;

(IV) they shall not, without reporting to the Board or the Shareholders' meeting and being approved by a resolution of the Board or the Shareholders' meeting in accordance with the Articles of Association, directly or indirectly enter into contracts or conduct transactions with the Company;

(V) they shall not use their position to take advantage of business opportunities belonging to the Company for themselves or others, unless they have reported to the Board or the Shareholders' meeting and obtained a resolution of the Shareholders' meeting, or the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations or the Articles of Association;

(VI) they shall not, without reporting to the Board or the Shareholders' meeting and being approved by a resolution of the Shareholders' meeting, operate on their own account or for others the same type of business as that of the company in which they serve;

(VII) they shall not accept commissions from others in connection with transactions with the Company for their own benefit;

(VIII) they shall not disclose the secrets of the Company without authorization;

(IX) they shall not prejudice the interests of the Company by taking advantage of their connected relationships;

(X) other duties of loyalty provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Where a close relative of a Director or a member of the senior management, an enterprise directly or indirectly controlled by a Director or a member of the senior management or their close relatives, or a connected person having other connected relationships with a Director, enters into a contract or conducts a transaction with the Company, the provisions of item (IV) of the second paragraph of this Article shall apply. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Any income obtained by a Director in violation of this Article shall belong to the Company; where losses are caused to the Company, he/she shall be liable for compensation.

Subject to the relevant laws, regulations and securities regulatory rules of the place where the Company's Shares are listed, where a Director takes advantage of his position to obtain for himself or others business opportunities belonging to the Company, or operates on his own account or for others the same type of business as that of the company in which he serves, he/she shall report to the Board or the Shareholders' meeting, fully explain the reasons, the measures to prevent conflicts between his/her own interests and the interests of the Company, and the impact on the Company, and shall make disclosure. The Company shall consider the matter in accordance with the procedures provided in the Articles of Association.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, owe a duty of diligence to the Company, and shall, in performing their duties, exercise the reasonable care that a manager would ordinarily exercise in the best interests of the Company. Directors owe the following duties of diligence to the Company:

(I) they shall prudently, conscientiously and diligently exercise the powers conferred on them by the Company to ensure that the business activities of the Company comply with the requirements of national laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the various national economic policies, and that the business activities do not exceed the scope of business stipulated in the business license;

(II) they shall treat all Shareholders fairly;

(III) they shall keep themselves informed of the operation and management of the Company in a timely manner;

(IV) they shall sign written confirmation opinions on the periodic reports of the Company and ensure that the information disclosed by the Company is true, accurate and complete;

(V) they shall truthfully provide the Audit Committee with relevant information and materials and shall not obstruct the Audit Committee in exercising its functions and powers;

(VI) other duties of diligence provided by 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 Company shall establish a director departure management system which specifies the safeguards for pursuing and recovering liabilities in respect of unperformed public undertakings and other outstanding matters. Upon a Director's resignation taking effect or the expiry of his/her term of office, he/she shall complete all handover procedures with the Board, and his/her duties of loyalty to the Company and the Shareholders shall not automatically cease upon the expiry of his/her term of office, but shall remain effective for two years after his/her resignation takes effect or two years after the expiry of his/her term of office. A Director's obligation of confidentiality in respect of the confidential information of the Company shall remain effective after the end of his/her office until such confidential information becomes public information. The duration of other obligations shall be determined on the principle of fairness, having regard to the length of time between the occurrence of the event and the departure and the circumstances and conditions under which his/her relationship with the Company ended. The liabilities to be borne by a Director in respect of the performance of his/her duties during the term of office shall not be released or terminated by reason of his/her departure.

Board of Directors

The Company shall establish a Board of Directors, which shall consist of seven to nine Directors, with one chairman and one employee representative Director. The chairman shall be elected by the Board of Directors by a majority of all Directors. Directors of the Company may include executive Directors, non-executive Directors and independent Directors. Non-executive Directors refer to Directors who do not hold operational management positions in the Company.

The Company shall have at least three independent Directors, who shall constitute no less than one-third of the Board of Directors and shall include at least one accounting professional. Independent Directors shall retire by rotation at least once every three years.

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

(I) to convene a Shareholders' meeting and report its work to the Shareholders' meeting;

(II) to implement the resolutions passed at the Shareholders' meeting;

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

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

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

(VI) to formulate proposals for major acquisitions of the Company, acquisition of the Company's Shares or mergers, division, dissolutions and changes in the form of the Company;

(VII) to decide on matters of the Company such as external investment, acquisition and disposal of assets, asset-based mortgages, external guarantee, entrusted wealth management, related party (connected) transactions and donations to others within the scope of authority of the Shareholders' meeting;

(VIII) to decide on the establishment of the internal management bodies of the Company;

(IX) to decide on the appointment or dismissal of the manager, the secretary to the Board of Directors and other senior management of the Company and to determine their remuneration, incentives and penalties; to decide on the appointment or dismissal of senior management (such as chief financial officer, chief technology officer and senior vice president) as nominated by the manager;

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

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

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

(XIII) to propose to the Shareholders' meeting on appointment or change of the accounting firm that provides audit services to the Company;

(XIV) to listen to the work report of the manager of the Company and inspect his/her work;

(XV) any other functions and powers as conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed, the Articles of Association or the Shareholders' meeting.

Matters beyond the scope of authority of the Shareholders' meeting shall be submitted to the Shareholders' meeting for consideration.

The chairman shall exercise the following functions and powers:

(I) to preside over the Shareholders' meeting and convene and preside over the Board meeting;

(II) to supervise and inspect the implementation of resolutions of the Board of Directors;

(III) to sign relevant documents on behalf of the Company, subject to the provisions of the Articles of Association;

(IV) any other functions and powers as conferred by laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, and as delegated by the Board.

The Board of Directors shall hold at least four regular meetings every year, which shall be convened by the chairman, and all Directors shall be notified 14 days prior to the meeting by fax, email, personal delivery or mail.

Shareholders representing one-tenth or more of the voting rights, or one-third or more of the Directors, or the Audit Committee, may propose the convening of an extraordinary meeting of the Board. The chairman shall convene and preside over a Board meeting within 10 days after receiving the proposal. Where an extraordinary meeting of the Board is convened by the Board of Directors, all Directors shall be notified by fax, email, personal delivery or mail at least three days prior to the meeting.

A Director who is associated (connected) with an enterprise or an individual involved in a resolution of a meeting of the Board of Directors shall report in writing to the Board of Directors in a timely manner. A Director who has an associated (connected) relationship shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. Where a Director or any of his/her close associates has a material interest in any contract, arrangement or any other proposal, such Director shall not vote on the resolution of the Board approving such contract, arrangement or proposal, and shall not be counted in the quorum present at the meeting, except as provided in Rule 13.44 of the Hong Kong Listing Rules. The meeting of the Board of Directors may be held when more than half of the non-associated (connected) Directors are present, and a resolution of the meeting of the Board of Directors shall be approved by more than half of the non-associated (connected) Directors. Where the number of non-associated (connected) Directors attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the Shareholders' meeting for consideration. Where the laws and regulations or the securities regulatory rules of the place where the Company's Shares are listed contain other provisions or restrictions on Directors' participation in, and voting at, the meeting of the Board of Directors, such provisions shall prevail.

A Director shall attend the meeting of the Board of Directors in person, or if he/she is unable to attend the meeting due to any reason, he/she may entrust any other Director in writing to attend on behalf of him/her. Such instrument of proxy shall specify the name of proxy, matters authorized, powers delegated and validity term, among others, and be signed or stamped by the principal. A Director attending a meeting as the proxy of another Director shall exercise the rights of a Director within the powers delegated by the principal. Any Director who fails to attend a meeting of the Board of Directors in person or by proxy shall be deemed to have waived his/her voting rights at such meeting.

Independent Directors

In accordance with the requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, independent Directors shall diligently perform their duties, play a role in decision-making, supervision and checks and balances, and the provision of professional consultation in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority Shareholders.

The Company shall establish a mechanism of special meeting attended by all independent Directors. Where the Board of Directors considers related party (connected) transactions and other matters, prior approval shall be obtained from the special meeting of independent Directors.

The Company shall convene special meetings of independent Directors on a regular or irregular basis. Matters listed in items (I) to (III) in the first paragraph in Article 149 and Article 150 of the Articles of Association shall be considered by the special meeting of independent Directors.

The special meeting of independent Directors may study and discuss other matters of the Company as necessary. The special meeting of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors; in the event that the convener fails to perform his/her duties or is unable to perform his/her duties, two or more independent Directors may convene the special meeting on their own and elect a representative to preside over the meeting.

Minutes of special meetings of independent Directors shall be prepared in accordance with the regulations, and the opinions of the independent Directors shall be set out in the minutes. The independent Directors shall sign to confirm the minutes.

The Company shall facilitate and support the convening of special meetings of independent Directors.

The chairman shall hold at least one meeting with independent Directors every year without the presence of other Directors.

Special Committees of the Board of Directors and Compliance Advisor

The Board of Directors of the Company has established an Audit Committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law. The Audit Committee shall consist of at least three members, all of whom shall be non-executive Directors, with a majority of whom being independent Directors, and the convener shall be an accounting professional among the independent Directors.

The Board of Directors of the Company shall establish special committees such as the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Corporate Governance Committee, and may also establish other special committees as required. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals made by special committees shall be submitted to the Board of Directors for consideration and decision. The Board of Directors shall be responsible for formulating the working procedures of special committees.

The Company shall appoint a compliance adviser on a permanent basis. The Directors shall consult with and, if necessary, seek advice from the compliance adviser, on a timely and on-going basis:

(I) before the publication of any regulatory announcement, circular or financial report by the Company;

(II) where a transaction, which might be a notifiable transaction or a connected transaction (as defined in the Hong Kong Listing Rules), is contemplated by the Company, including Share issues and Share repurchases;

(III) where the Company proposes to use the proceeds of its initial public offering in a manner different from that detailed in the listing document in respect of such initial public offering, or where the business activities, developments or results of the Company deviate from any forecast, estimate or other data set out in such listing document; and

(IV) where the Hong Kong Stock Exchange makes an inquiry of the Company under the Hong Kong Listing Rules.

The Directors shall also consult with, and if necessary, seek advice from, the compliance adviser, on a timely and on-going basis, in the circumstances set out in Rule 3A.23 of the Hong Kong Listing Rules and on any matters related to:

(I) the weighted voting rights structure of the Company;

(II) transactions in which holders of Class A Shares have an interest;

(III) where there is a potential conflict of interest between the Company, a subsidiary of the Company and/or Shareholders (considered as a group) on one hand, and any holder of Class A Shares on the other; and

(IV) other matters for which the compliance adviser is required to be consulted under the Hong Kong Listing Rules.

Senior Management

The Company shall have one manager, who is appointed or dismissed by the Board of Directors. The manager, chief financial officer, Board secretary, chief technology officer and senior vice president of the Company shall be the senior management of the Company.

The provisions of the Articles of Association on the circumstances under which a person may not serve as a Director and the provisions on the management of departure shall also apply to senior management. The provisions of the Articles of Association on the duty of loyalty and the duty of diligence of Directors shall also apply to senior management.

The manager shall be accountable to the Board of Directors and exercise the following duties and powers:

(I) to be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the Board of Directors and report to the Board of Directors;

(II) to organize the implementation of the annual business plan and investment proposal of the Company;

(III) to formulate the proposal for the establishment of the internal management body of the Company;

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

(V) to formulate the details of the rules and regulations of the Company;

(VI) to propose to the Board of Directors to appoint or dismiss other senior management of the Company;

(VII) to decide on the appointment and dismissal of the department managers and other personnel of the Company, and to determine, in accordance with the relevant policies adopted by the Board of Directors, the salaries, bonus and welfare plans, incentives, promotions and penalties of such department managers and personnel;

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

(IX) to carry out the matters that shall be performed by the Company as required by the Articles of Association and resolutions passed by the Board of Directors from time to time;

(X) to prepare and submit reports to the Board of Directors on the Company's operations, marketing, capital expenditures, human resources, and other business matters;

(XI) to negotiate, sign, amend, and perform operating contracts and other contracts with third parties (contracts which require the approval of the Board of Directors or the Shareholders' meeting pursuant to the provisions of the Articles of Association shall be submitted to the Board of Directors or the Shareholders' meeting for approval before they are signed, amended, or performed);

(XII) to prepare and submit to the Board of Directors proposals on the organizational structure appropriate to the Company's operations, the establishment of departments and their responsibilities and functions, and to implement the same upon approval by the Board of Directors;

(XIII) to conduct day-to-day management and guidance on all employees of the Company, including but not limited to personnel engaged in marketing, sales, procurement, and services;

(XIV) to direct the work of all other department managers;

(XV) to perform other duties and powers as conferred by the Articles of Association or the Board of Directors.

The manager shall attend meetings of the Board of Directors.

The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the Shareholders' meetings and the Board meetings of the Company, the custody of document and the management of information of the Company' s Shareholders, and the information disclosure affairs.

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

FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFIT AND AUDIT

Financial and Accounting Systems

The Company shall establish its financial and accounting system in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the relevant provisions of the competent departments of the state.

The Company shall submit and disclose its annual report to the local branches of CSRC and the Shanghai Stock Exchange within four months from the end of each accounting year, and submit and disclose its interim report to the local branches of CSRC and the Shanghai Stock Exchange within two months from the end of the first half of each accounting year. The abovementioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed.

The Company shall not have any other accounting books other than statutory accounting books. The Company's fund shall not be deposited in any accounts opened in the name of any individual.

Distribution of Profit

When distributing each year's after-tax profits, the Company shall set aside 10% of profits for its statutory reserve (except where such reserve has reached 50% or more of the Company's registered capital).

If the Company's statutory reserve is insufficient to cover the losses for the previous years, the current year's profits shall be utilized before being set aside according to the abovementioned provision.

After making its appropriation to the statutory reserve, the Company may, by way of a resolution at the Shareholders' meeting, set aside a discretionary reserve from after-tax profits.

The remaining after-tax profits of the Company after making up losses and appropriation to reserves shall be distributed in proportion to the shareholdings of Shareholders, except as otherwise provided in the Articles of Association.

If the Shareholders' meeting distributes profits to Shareholders in violation of the Company Law, the Shareholders shall return the profits so distributed to the Company; if losses are caused to the Company, the Shareholders and the responsible Directors and senior management members shall be liable for compensation.

The Shares of the Company held by the Company are not entitled to the distribution of profits.

The Company shall appoint one or more receiving agent(s) in Hong Kong for Shareholders of the H Shares. Such receiving agent(s) shall, on behalf of Shareholders of the H Shares, receive and keep dividends distributed by the Company and other payments payable by the Company in respect of the H Shares for payment to such Shareholders of H Shares. The receiving agent(s) appointed by the Company shall meet the requirements of laws, regulations and the securities regulatory rules of the place where the Company's Shares are listed.

The Company's reserves are used to cover losses, expand production and operation, or be converted into additional Share capital of the Company.

When using reserves to cover the Company's losses, the discretionary reserve and statutory reserve shall be used first. If the losses still cannot be made up, the capital reserve shall be utilized according to the provisions.

When statutory reserve is converted into additional registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before conversion.

The distribution of dividends (or Shares) shall be completed within two months after the profit distribution plan has been resolved at the Shareholders' meeting of the Company or the Board of Directors of the Company formulates a specific plan in accordance with the conditions and cap for the next year's interim dividend reviewed and approved by the annual Shareholders' meeting. Where the implementation of the specific plan cannot be implemented within two months due to the provisions of laws, regulations and securities regulatory rules of the place where the Company's Shares are listed, the implementation date of such specific plan may be adjusted accordingly pursuant to such provisions and the actual circumstances.

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, application of audit results and accountability in relation to internal audit work.

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

The internal audit body of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

Engagement of Accounting Firm

The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law and the securities regulatory rules of the place where the Company's Shares are listed to conduct accounting statement audit, net asset verification and other related consultation services. The term of such engagement is one year and subject to renewal.

The engagement and dismissal of an accounting firm by the Company must be subject to the resolution of the Shareholders' meeting, while the Board of Directors shall not appoint any accounting firm before the resolution of the Shareholders' meeting.

The Company shall guarantee to provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the accounting firm it engages without any refusal, withholding and misrepresentation.

The audit fee payable to the accounting firm shall be determined by the Shareholders' meeting.

Prior to the removal or non-renewal of the appointment of the accounting firm by the Company, 20 days of prior notice shall be given to the accounting firm, and the accounting firm shall be allowed to state its opinions when the Shareholders' meeting of the Company votes on the dismissal of the accounting firm.

Where the accounting firm tenders its resignation, it shall make clear to the Shareholders' meeting whether there has been any impropriety on the part of the Company.

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 either merger by absorption or merger by new establishment.

Merger by absorption means that a company absorbs another company and the absorbed company shall be dissolved. Where two or more companies merge into a new company, it is a merger by new establishment, and the parties to the merger shall be dissolved.

Where the Company merges with a company in which it holds 90% or more of the Shares, the merged company is not subject to the resolution of the Shareholders' meeting but shall notify other Shareholders, who shall have the right to request the Company to acquire their equity or Shares at a reasonable price.

Where the consideration for the merger payable by the Company does not exceed 10% of the Company's net assets, the merger is not subject to the resolution of the Shareholders' meeting, unless otherwise provided in the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

In the case of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the resolution approving the merger, and shall publish an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the debts or to provide corresponding guarantee within 30 days after the receipt of the notification or, in the event that no such notification is received, within 45 days after the date of the announcement. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Upon merger of the Company, claims and debts of parties to the merger shall be taken over by the surviving company or the newly established company.

When the Company is divided, its property shall be divided accordingly.

In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the resolution approving the division, and shall publish an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days thereafter. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Debts of the Company before its division shall be jointly assumed by the companies after the division, unless otherwise agreed by a written agreement entered into between the Company and its creditors in relation to the settlement of debts before division.

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days after the date of the resolution approving reduction in registered capital passed at the Shareholders' meeting, and shall publish an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the debts or to provide corresponding guarantee within 30 days after the receipt of the notification or, in the event that no such notification is received, within 45 days after the date of the announcement. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Where the Company reduces its registered capital, it shall reduce the amount of capital contribution or Shares according to the proportion of the Shares held by the Shareholders, unless otherwise provided by laws, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

If the Company is still in a loss position after making up for its losses in accordance with the provisions of the second paragraph of Article 180 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to its Shareholders, nor exempt the Shareholders from the obligations to make capital contributions or call on Shares.

Where the registered capital is reduced in accordance with the preceding provisions, the provisions of the second paragraph of Article 210 of the Articles of Association shall not apply, but it shall be announced in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days after the date of the resolution approving reduction in registered capital passed at the Shareholders' meeting. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

After reducing the registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of the statutory reserve and the discretionary reserve reaches 50% of its registered capital.

If the reduction of the registered capital is in violation of the Company Law and other relevant regulations or the provisions of the Articles of Association, the Shareholders shall return the funds they have received, and the Shareholders' capital contributions so reduced shall be restored to the original amount; if losses are caused to the Company, the Shareholders and responsible Directors and senior management shall be liable for compensation.

Where an increase in registered capital of the Company is made by means of issue of new Shares, the Shareholders shall not have any pre-emptive right unless otherwise provided in the Articles of Association or the Shareholders' meeting resolves that the Shareholders shall have pre-emptive right.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the laws. When the Company is dissolved, the Company shall deregister in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

The increase or reduction in the registered capital by the Company shall be registered with the company registration authority in accordance with the laws.

Dissolution and Liquidation

The Company may be dissolved for the following reasons:

(I) the expiration of the business term stipulated in the Articles of Association or the occurrence of other dissolution events specified the Articles of Association;

(II) the Shareholders' meeting resolves to dissolve the Company;

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

(IV) the Company's business license is revoked or the Company is ordered to close or be revoked according to laws;

(V) where the Company encounters severe difficulties in its operation and management, and its continued existence would cause significant losses to the interests of the Shareholders, and such difficulties cannot be resolved through other means, Shareholders holding 10% or more of all voting rights may request the people's court to dissolve the Company.

If any of the dissolution events specified in the preceding paragraph arise, the Company shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

In the event of the circumstances in (I) and (II) above, the Company may carry on its existence by amending the Articles of Association or upon a resolution of the Shareholders' meeting if no assets have been distributed to any Shareholder.

Amendments to the Articles of Association or a resolution of the Shareholders' meeting in accordance with the provisions described in the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the Shareholders attending the Shareholders' meeting.

If the Company is dissolved as provided in (I), (II), (IV) or (V) above, it shall be liquidated. Directors are the Company's liquidation obligors and shall form a liquidation group to carry out liquidation within 15 days from the date when dissolution events occur. The liquidation group shall be composed of the Directors, unless otherwise provided for in the Articles of Association or resolved by the Shareholders' meeting to elect other persons. A liquidation obligor shall be liable for compensation if he/she fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or its creditors. In the event the liquidation group is not established to conduct liquidation or the liquidation is not conducted after establishment of the liquidation group during such period, an interested party may apply to the people' s court to designate relevant personnel to form the liquidation group to conduct liquidation.

Where the Company is dissolved as provided in (IV) above, the department or company registration authority that made the decision to revoke the business license, order closure or revoke may apply to the people's court to designate relevant personnel to form a liquidation group to conduct liquidation.

The liquidation group shall conduct a comprehensive inventory check of the Company's property, claims, and debts, prepare a balance sheet and an inventory of property, formulate the basis for the valuation and calculation of the Company's property, and settle its debts with the Company's assets. In addition, the liquidation group shall set aside a reserve fund that it considers reasonably necessary for any contingent or unforeseen debts or obligations of the Company.

The liquidation group shall notify creditors within 10 days from the date of its establishment, and make an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from receipt of the notification or, in the event that no such notification is received, within 45 days after the date of the announcement.

Creditors declaring their claims shall state the matters relevant to the claims and provide supporting materials. The liquidation group shall register such claims.

During the period for declaration of creditors' claims, the liquidation group shall not make repayment to the creditors.

Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise for the liquidation of the Company, such relevant provisions shall also be complied with.

Upon sorting the Company's assets and preparation of balance sheet and inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. The Company's remaining assets after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to the Shareholders in proportion to their shareholding.

Where the liquidation group, after sorting the Company's assets and preparation of balance sheet and inventory of assets, discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the people's court for bankruptcy liquidation in accordance with the laws.

After the people's court accepts the bankruptcy application, the liquidation group shall hand over the liquidation process to the bankruptcy administrator designated by the people's court.

If the Company is declared bankrupt in accordance with the laws, bankruptcy liquidation shall be processed in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES

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

(I) after the amendments to the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed, the matters stipulated in the Articles are in conflict with the provisions of the amended laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed;

(II) changes in the situation of the Company are inconsistent with the matters set out in the Articles;

(III) the Shareholders' meeting decides to amend the Articles.

Where the approval from the competent authority is required for the amendments to the Articles adopted by the resolution of the Shareholders' meeting, such amendments shall be submitted to the competent authority for approval; where the Company's registered particulars are involved, the changes shall be made to the registration in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendments and the approval opinions of relevant competent authorities.

Where the amendments to the Articles constitute information required to be disclosed by the laws, regulations and the securities regulatory rules of the place where the Company's Shares are listed, such amendments shall be announced in accordance with the regulations.