Ningbo Shanshan Co., Ltd.

Rules for Selection and Appointment of Accounting Firms

Chapter 1 General Provisions

Article 1 These Rules are made in accordance with relevant provisions of related laws, regulations and policies of the Company for the purposes of regulating the selection and appointment (including appointment, renewal and change) of the accounting firm by Ningbo Shanshan Co., Ltd. (hereinafter referred to as the "Company"), effectively safeguarding the interests of the shareholders and improving the quality of audit and financial information.

Article 2 The Company shall, in accordance with relevant laws and regulations, abide by these Rules and perform the selection and appointment procedure before engaging an accounting firm to express audit opinions and issue an audit report on the financial accounting report, internal control and other affairs. The Company may abide by these Rules by analogy when appointing an accounting firm to engage in the statutory audit affairs other than the audit of the financial accounting report.

Article 3 The Company's appointment or dismissal of the accounting firm shall be deliberated and approved by the Audit Committee of the Board of Directors (hereinafter referred to as the "Audit Committee") before being submitted to the Board of Directors for consideration and decided by the General Meeting. The Board of Directors shall not appoint an accounting firm to work before the General Meeting decides.

Article 4 The controlling shareholder or de facto controller of the Company shall not designate an accounting firm for the Company or intervene in the independent performance of the review responsibility by the Audit Committee, the Board of Directors, and the General Meeting.

Chapter 2 Practice Quality Requirement for Accounting Firm

Article 5 An accounting firm appointed by the Company shall meet the following conditions:

(I) Have an independent legal person status, and have a permanent place of

business, a well-established organizational structure and sound internal management and control policies;

(II) Have practice qualifications and conditions required to carry out securities and futures-related business activities stipulated by China Securities Regulatory Commission and industry regulator of the state;

(III) Practice License for Accounting Firm issued by the fiscal authority;

(IV) The certified public accountant responsible for auditing the financial statements of the Company and signing the audit report of the Company has not suffered an administrative penalty imposed by the regulators on account of the illegal securities and futures practice over the past three years;

(V) Be familiar with laws, regulations, ordinances and policies of the state related to finance and accounting and have certified public accountants who can complete the audit task and ensure the audit quality;

(VI) Other conditions required by laws, regulations, ordinances or normative documents of the state.

Chapter 3 Selection and Appointment Procedure for Accounting Firm

Article 6 The selection and appointment of the accounting firm shall be deliberated and approved by the Audit Committee of the Board of Directors before being submitted to the Board of Directors for consideration and decided by the General Meeting.

Article 7 The Audit Committee shall be responsible for the work to select and appoint the accounting firm and supervise the audit work. The Audit Committee shall effectively perform the following responsibilities:

(I) Work out the policy, flow and related internal control system for the selection and appointment of the accounting firm in accordance with the authorization of the Board of Directors;

(II) Propose to initiate the work related to the selection and appointment of the accounting firm;

(III) Review the selection and appointment document, determine assessed factors and specific scoring standards and supervise the selection and appointment process;

(IV) Propose the intended accounting firm and audit fee, and submit the same to the decision-making body for decision;

(V) Supervise and assess the audit work of the accounting firm;

(VI) Submit the performance evaluation report on the appointed accounting firm and the report on the Audit Committee's performance of the supervision responsibility to the Board of Directors on a regular basis (at least once every year);

(VII) Other affairs related to the selection and appointment of the accounting firm authorized by laws, regulations, the Articles of Association and the Board of Directors.

Article 8 The Finance and Capital Department and other related departments of the Company shall assist the Audit Committee in the selection and appointment of the accounting firm, quality assessment of audit and day-to-day audit management, formulate relevant working policies, arrange for the execution and implementation of the audit engagement agreement, cooperate with the accounting firm to complete the work as agreed, collect and process the information in relation to the quality assessment against the accounting firm, conduct day-to-day communication and liaison with the accounting firm and cooperate to provide the other information related to the accounting firm required by the internal and external management entities. The Securities Affairs Department of the Company is responsible for the external disclosure of the information related to the selection and appointment of the accounting firm.

Article 9 The Company shall employ the competitive negotiation, open tender, invitational tender and other selection and appointment methods that can fully understand the competency of the accounting firm to assure equality and fairness.

(I) Competitive negotiation: Negotiate with two or more accounting firms in relation to the service content, service condition, service item and other requirements, provide relevant certificates and competitive quotations, and finally select one accounting firm winning the optimal comprehensive assessment conclusion on quality standard, service requirement and reasonable price.

(II) Open tender: Take the form of an open tender to define the tendering condition and invite accounting firms with corresponding qualifications to participate in the open selection and appointment.

(III) Invitational tender: Take the form of invitation to bid and invite accounting firms with corresponding qualifications to participate in the selection and appointment.

(IV) Other selection and appointment methods that can fully understand the competency of the accounting firm: They feature an extensive scope and unlimited form. The Company shall require the appointed accounting firm to submit the certificates and relevant selection and appointment documents detailing its competency.

When adopting the competitive negotiation, open tender, invitational tender and other open selection and appointment methods, the Company shall publish the selection and appointment document through the open channels such as the official website, and the document shall include the basic information, assessment factor, specific scoring standard and other contents related to the selection and appointment. At the same time, the document shall specify the response time when the accounting firm submits the response document after the selection and appointment document is published to ensure the accounting firm will have adequate time to obtain the selection and appointment information and prepare the bidding material. The selection and appointment result shall be publicized in a timely manner, and the publicized content shall include the accounting firm to be appointed and the audit fee.

Article 10 The Company shall assess the selection and appointment document of the accounting firm, and record and save the assessment opinions of people participating in the assessment.

The assessment factors involved in the selection and appointment of the accounting firm shall include at least the audit fee quotation, qualifications of the accounting firm, practice record, quality management level, working plan, human and other resources, information security management, and risk tolerance of the accounting firm. In detail, the score for the quality management level shall take a weight of not less than 40%, and that of the audit fee quotation shall take a weight of not more than 15%.

Article 11 The procedure for selecting and appointing an accounting firm:

(I) The Audit Committee defines the qualification, requirement, assessment factor and standard for the accounting firm, and notifies the Finance and Capital Department and other related departments to initiate the early work, including preparation,

investigation and data sorting;

(II) An accounting firm participating in the selection and appointment procedure shall submit relevant documents to the Company within the required time, and people

decision, and both parties shall renew the business agreement after deliberation and approval. If the Audit Committee reaches a negative opinion, the accounting firm shall be changed, and the change procedure shall be subject to the related clauses of the selection and appointment procedure in these Rules.

Company shall not change the accounting firm performing the audit business during the audit period, except in the situation stated in Article 14.

Chapter 5 Information Disclosure, Supervision and Miscellaneous

Article 18 The Company shall disclose the service period, audit fee and other information on the accounting firm, partners to the audit project and signing certified public accountants in the annual financial accounts report or the annual report.

The Company shall annually disclose, in accordance with requirements, the performance evaluation report of the Audit Committee on the accounting firm and the Audit Committee's report on the performance of supervision of the accounting firm, and if the report involves a change in the accounting firm, the Company shall also disclose the information on the former accounting firm, the audit opinion for the previous year, the reason for the change in the accounting firm, and the communication between the former accounting firm and the current one.

Article 19 The Audit Committee shall keep highly alert and attentive to the following events:

(I) Change the accounting firm from the balance sheet date to the issuance of the annual report, change the accounting firm for two consecutive years or change the accounting firm several times within one year;

(II) The proposed accounting firm has suffered multiple administrative penalties for the practice quality over the past three years or several audit projects are being investigated;

(III) The proposed former audit team transfers to another accounting firm;

(IV) The audit fee incurs a significant change compared to the previous year during the period of appointment, or the transaction price for the selection and appointment is substantively lower than the benchmark price;

(V) The accounting firm fails to make a substantive rotation of the partners to the audit project or signing certified public accountants as required.

Article 20 The Audit Committee shall report to the Board of Directors in a timely manner after finding the selection and appointment of the accounting firm violates these Rules and related policies and causes a severe consequence. If the accounting firm

undertaking the audit service for the Company commits one of the following behaviors with a serious situation, the Company will no longer appoint it to take on the audit work after the General Meeting makes the resolution:

(I) Subcontract or outsource the audit project it undertakes to other institutions;

(II) The audit report fails to meet the audit requirements and has obvious audit quality problems;

(III) Other situations that prove the accounting firm is illegible for the audit or violates these Rules.

Article 21 If a certified public accountant violates the Law of the People's Republic of China on Certified Public Accountants, and other relevant laws or regulations, practices fraud by issuing an untrue or false audit report, the Audit Committee of the Company shall notify the related authority for penalty in accordance with laws.

Article 22 If an audit project partner or signing certified public accountant has actually undertaken the audit business of the Company for more than 5 years in succession, he or she shall not participate in the audit business of the Company in the following 5 years in succession.

If the audit project partner or signing certified public accountant provides audit services for the Company at different accounting firms due to the change of work, the periods of service shall be accumulated.

If the Company initiates a material asset restructuring project or spin-off and listing project of a subsidiary, the audit project partner or the signing certified public accountant providing the audit service for the project or subsidiary is not changed, the periods of the audit service provided by the relevant audit project partner or the signing certified public accountant before and after the material asset restructuring project or spin-off and listing project of the subsidiary shall be accumulated.

Article 23 The Company and the appointed accounting firm shall properly file and save the bidding document, response document, review document, appointment document and relevant decision document, which shall not be falsified, altered, concealed or destroyed. The documents shall be saved for at least 10 years after the

selection and appointment are completed.