
APPENDIX III**SUMMARY OF ARTICLES OF ASSOCIATION**

The Articles of Association, which is adopted by the shareholders in the general meeting held on December 23, 2025, will become effective on the date that the H shares of the Company are [REDACTED] on the Stock Exchange. The primary purpose of this appendix is to provide potential [REDACTED] with an overview of the Articles of Association of the Company. Accordingly, it may not contain all the information that may be considered material or relevant by potential [REDACTED].

1. DIRECTORS AND BOARD OF DIRECTORS**(1) Power to allocate and issue shares**

The Articles of Association provide that the shareholders may authorize the board of directors through a general mandate at a general meeting to allocate or issue shares of no more than 20% of all outstanding H shares. The board of directors shall prepare suggestions for share allotment or issue, which are subject to approval by the shareholders at the general meeting in the form of a special resolution.

Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

(2) Power to dispose assets of the Company or any subsidiary

The sale of substantial assets that exceeds 30% of total assets of the latest audited financial statement are subject to approval by the shareholders at the general meeting in the form of a special resolution. The boards of directors may decide on the disposal of assets of the Company as authorized by the shareholders in a general meeting.

(3) Emoluments or compensation for directors’ loss of office

There is no provision in the Articles of Association regarding the provision of emoluments or compensation to the directors for their loss of office.

(4) Loans to directors

There is no provision in the Articles of Association regarding the provision of loans to the directors.

(5) Provide financial assistance for acquiring the shares of the Company

The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, or loans for the acquisition of the Company’s or its parent company’s shares by third parties, except for employee shareholding schemes.

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The Company may provide financial assistance for the acquisition of the Company's or its parent company's shares by third parties provided that such financial assistance is for the benefit of the Company and has been duly approved either by a resolution of shareholders in general meeting or by a resolution of the board of directors acting pursuant to authority granted under the Articles of Association or by shareholders. The aggregate amount of any such financial assistance shall in no event exceed 10% of the Company's total issued share capital. Any resolution of the board of directors approving such financial assistance must be passed by a super majority of not less than two-thirds of all directors then in office.

(6) Disclosure of interests in contracts with the Company and/or its affiliates

No director shall, without prior disclosure to and approval by either the board of directors or the general meeting in accordance with the Articles of Association, directly or indirectly enter into any contract or transaction with the Company.

(7) Remuneration

The remuneration of directors shall be approved by the shareholders at the general meeting in the form of an ordinary resolution.

(8) Appointment, Resignation and Dismissal

The board of directors consists of nine directors, including two executive directors, four non-executive directors, and three independent non-executive directors.

Directors are elected or replaced by the general meeting. The general meeting may remove any director whose term has not expired by an ordinary resolution without affecting any claim for damages that may be made pursuant to any contract, provided that such removal is in compliance with relevant laws and regulations.

The board of directors has one chairman. The chairman of the board shall be elected and dismissed by a vote of more than one half of the directors.

The term of office of a director shall be calculated from the date of assumption of office until the expiration of the current term of office of the board of directors, which is a three-year term. Upon expiration of the term, the director may be re-elected in accordance with the relevant regulatory rules where the Company's shares are listed.

In the event a director is not re-elected in time for the expiration of his/her term of office, or if a director resigns during his/her term of office, resulting in the number of the board of directors being less than the minimum number required by law, before the re-elected director assumes his/her office, the original director shall still perform the duties of a director in accordance with the provisions stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

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In the event a director resigns, the director shall notify the Company in writing, and the resignation shall take effect on the date the Company receives the notification; however, if the circumstances set forth in the preceding paragraph exist, the director shall continue to perform the duties.

None of the following persons shall serve as our director:

- i. A person who has no civil capacity or has limited civil capacity;
- ii. A person who has been imposed penalty for the offense of corruption, bribery, embezzlement, larceny, disrupting the socialist economic order or has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence; in the case of a probation, less than two years have elapsed since the date of expiration of the probationary period;
- iii. A person who is a former director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated because of poor operation, was personally liable for the bankruptcy of such company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of such company or enterprise;
- iv. A person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, and is within three years of the date on which the business license of such company or enterprise was revoked;
- v. a person listed by the people’s court as dishonest judgment debtors, who has a relatively large sum of debt, which was not paid at maturity;
- vi. a person who is prohibited by relevant securities regulator from entering into the securities market and is still in such prohibition period; or
- vii. a person who has been publicly determined by the stock exchange to be not suitable to serve as a director or senior management of a listed company, and the period has not elapsed; or
- viii. Any other person who is otherwise not eligible under laws, administrative regulations, regulations of the authorities, regulatory documents and other conditions set out by the Listing Rules.

The election, appointment or engagement of a director shall be invalid if such election, appointment or engagement violates the above-mentioned provisions. If a director falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by the Company.

The Articles of Association do not contain any specific provisions regarding age limit on the retirement or non-retirement of directors.

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(9) Borrowing powers

The Articles of Association do not contain any specific provisions regarding directors’ power of borrowing money.

2. MODIFICATION OF THE ARTICLES OF ASSOCIATION

The Company may amend the Articles of Association based on the provisions of the laws, administrative regulations and Articles of Association.

In the event that the amendments to the Articles of Association passed by a general meeting need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

3. MODIFICATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

There are no provisions for modification of rights in respect of existing shares or classes of shares in the Articles of Association.

4. SPECIAL RESOLUTIONS NEEDED TO BE ADOPTED BY ABSOLUTE MAJORITY VOTE

The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

5. VOTING RIGHTS

When shareholders (including proxies) vote at the general meeting, they exercise their voting rights based on the number of voting shares they represent, and each share has one voting right.

The shares held by the Company itself shall have no voting right and shall not be counted in the total number of voting shares at the general meeting.

6. RULES ON ANNUAL GENERAL MEETINGS

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

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7. ACCOUNTS AND AUDITS**(1) Financial and accounting policies**

The Company shall develop its financial accounting policies pursuant to laws, administrative regulations and rules developed by the competent department.

The Company shall publish the financial reports twice in each accounting year. Interim financial reports shall be published within 2 months of the end of the first six months of a fiscal year, while the annual financial report shall be published within 4 months of the end of each accounting year.

(2) Appointment and Dismissal of Accountants

The Company shall engage a reputable accounting firm that meets appropriate requirements of the relevant laws, regulations and regulatory requirements to be responsible for auditing its annual financial report, conduct accounting statement audit, net asset verification and other related consulting services, and the term of service shall be one year, which is renewable upon expiry of the term.

The appointment and removal of an accounting firm providing regular audit services to the Company shall be determined by ordinary resolution of the shareholders in general meeting.

Prior to the removal or the non-reappointment of an accounting firm, notice of such removal or non-reappointment shall be given to the firm concerned 30 days in advance and such firm shall be entitled to make representation at the general meeting when voting on the dismissal of such firm at the general meeting.

In the event the accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

If the position of an appointed accounting firm is vacant, the board of directors may appoint an accounting firm before the start of general meeting. However, if during the vacant period, the Company has other incumbent accounting firm, such accounting firm may take the vacant.

8. NOTICE AND AGENDA OF GENERAL MEETINGS

Under any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months:

- i. The number of directors is less than the number specified in the Company Law or less than two thirds of the number required in the Articles of Association;
- ii. The uncovered losses of the Company reach one-third of its total paid-in registered capital;

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- iii. The shareholders with 10% or more shares of the Company (including preference shares with restored voting rights) separately or jointly request to convene an extraordinary general meeting in writing;
- iv. The board of directors considers it necessary;
- v. The audit committee makes such proposal;
- vi. Any other circumstances stipulated in laws, regulations, the Listing Rules, the Articles of Association.

In the event that the general meeting is convened, the board of directors, the audit committee and shareholders who separately or jointly hold more than 1% of the shares of the Company (including preference shares with restored voting rights) may submit a proposal.

When convening an annual general meeting, the Company shall notify shareholders by announcement 21 days before it is convened. When convening an extraordinary general meeting, the Company shall send a written notice 15 days before it is convened.

The notice of the general meeting shall be made in writing, including the following contents:

- i. The place, and the date of the meeting;
- ii. The matters and proposals to be discussed at the meeting;
- iii. Conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;
- iv. The date of shareholding registration for the shareholders who are entitled to attend the meeting;
- v. The name and telephone number of the contact person for the meeting;
- vi. the voting time and voting procedure for internet or other alternative voting methods;
- vii. other requirements stipulated by laws, administrative regulations, department rules, Listing Rules or these Articles of Association.

The notice of general meeting and any supplementary notice shall contain full and complete disclosure of all substantive details of every proposed resolution.

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The resolution of the general meeting includes ordinary resolution and special resolution. The following matters shall be approved by the general meeting through ordinary resolutions:

- i. Work report of the board of directors;
- ii. Plans of earnings distribution and loss make-up schemes drafted by the board of directors;
- iii. Appointment or dismissal of the members of the board of directors and their remuneration and payment methods;
- iv. Annual report;
- v. To employ or dismiss accounting firms and to determine their remuneration
- vi. Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, Listing Rules or the Articles of Association.

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

- i. The increase or decrease of the registered capital;
- ii. Division, split, merger, dissolution and liquidation of the Company;
- iii. Amendment of the Articles of Association and the schedules, including the Rules of Shareholders’ Meeting and the Rules of Directors’ Meeting;
- iv. The purchase or sale of material assets of the Company or provision of guarantees to others by the Company within one year exceeding 30% of the latest audited total assets of the Company;
- v. Share incentive scheme;
- vi. The repurchase of shares to reduce registered capital;
- vii. Other matters recognized by ordinary resolution of the general meeting that could materially affect the Company and need to be approved by special resolution or as required by the laws, administrative regulations, Listing Rules, the Articles of Association or the securities regulatory rules in the place where the Company’s shares are listed and the relevant regulatory authorities’ requirements;

In the event that any resolution of the general meeting or resolution of the board of directors violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

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In the event that the convening procedure or voting formula of the general meeting or meeting of the board of directors violates any of laws, administrative regulations or the Articles of Association, or the content of resolution violates the Articles of Association, any shareholder is entitled to request the court to revoke the relevant resolution within 60 days after the resolution was adopted, unless there is only a minor defect in the procedures for convening a general meeting or a meeting of the board of directors or in the manner of voting, which does not materially affect the resolution.

9. SHARES TRANSFERS

The shares issued before the public issuance of shares by the Company shall not be transferred within one year of the date on which the stocks of the Company are [REDACTED] and [REDACTED] on a stock exchange.

The directors and senior managements of the Company shall declare, to the Company, information on their holdings of the shares of the Company and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year of the date on which the stocks of the Company are [REDACTED] and [REDACTED] on a stock exchange. The aforesaid persons shall not transfer their shares of the Company within six months from the date of their resignation.

In the event the laws, administrative regulations, Listing Rules, securities regulatory authorities in the place where the Company’s shares are [REDACTED] and CSRC (if applicable) have any other provisions on the transfer restrictions of H shares or the transfer of shares held by shareholders of the company, such provisions shall prevail.

10. POWERS OF OUR COMPANY TO REPURCHASE ITS SHARES

The Company shall not repurchase its shares except under any of the following circumstances provided that such repurchase does not violate laws, regulations, the Listing Rules, and the Articles of Association:

- i. Reduce the Company’s registered capital;
- ii. Merger with other companies which hold our shares;
- iii. Granting shares to the staff of the Company as incentives;
- iv. Requesting the Company to buy back its shares from shareholders who vote against any resolution adopted at the general meeting concerning the merger and division of the Company;
- v. To convert shares into bond issued by the Company which is convertible to stock of the Company;
- vi. Necessary for the Company to maintain the Company’s value and shareholders’ interests;

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- vii. Other circumstances permitted by laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed and the relevant regulatory authorities.

11. POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT COMPANY

There are no provisions in the Articles of Association relating to ownership by subsidiary of the Company of shares in its parent.

12. DIVIDEND AND OTHER DISTRIBUTION METHODS

The Company may distribute dividends in the manner of cash or stock.

The board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the general meeting has passed a resolution on the profit distribution plan, or upon the formulation of a specific plan by the board of directors in accordance with the conditions and ceiling for interim dividends in the following year approved at the annual general meeting.

13. SHAREHOLDER PROXIES

Shareholders may attend the general meeting in person or authorize a representative, who is not a shareholder, to attend and vote on their behalf.

Any proxy statement issued by a Shareholder who authorizes a proxy to attend the general meeting on his/her behalf shall include the following details:

- i. the name or title of the appointer, class and number of the company shares held;
- ii. the name or title of the proxy;
- iii. whether the Shareholders have the right to vote;
- iv. the shareholder's specific instructions, including respective instructions on for, against or abstention voting on each item for deliberation listed in the general meeting agenda;
- v. specific instructions on whether the proxies have voting rights on provisional proposals that may be included in the agenda of the shareholders' meeting and, if so, what voting rights the proxies shall exercise
- vi. the issuance date and valid period of the proxy statement;
- vii. If the number of proxies is more than one, the power of attorney shall indicate the number of shares represented by each proxy;
- viii. the signature (or seal) of the appointer. Where the appointer is a corporate shareholder, the corporate seal of the legal entity shall be affixed.

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14. CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association regarding the calls on shares and forfeiture of shares.

15. INSPECTION OF THE REGISTER OF SHAREHOLDERS

The Company establishes the register of Shareholders according to the certificate provided by the securities registration authority. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company’s shares. Shareholders enjoy rights and assume obligations according to the type and number of shares they hold.

Shareholders holding the same type of Shares shall enjoy the same rights and undertake the same obligations.

The original register of the shareholders of the H Shares [REDACTED] in Hong Kong shall be kept in Hong Kong.

When the Company convenes the general meeting, pays dividends, goes into liquidation or is involved in other actions that require the confirmation of identities, the board of directors shall fix a date as the equity registration date, upon expiration of which the shareholders whose names registered on the register of shareholders shall be the shareholders entitled to relevant equity.

16. QUORUM FOR GENERAL MEETINGS

There are no provisions in the Articles of Association regarding the quorum for general meetings.

17. RIGHTS OF MINORITIES IN RELATION TO FRAUD OR OPPRESSION

If any director or senior management (other than a member of the Audit Committee) violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for more than 180 consecutive days shall have the right to request the Audit Committee in writing to institute legal proceedings at the People’s Court; if the member of the Audit Committee violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, the aforementioned Shareholders shall have the right to request the board of directors in writing to institute legal proceedings at the People’s Court.

If the Audit Committee or the board of directors refuses to institute legal proceedings after receipt of the aforesaid written request or fails to institute legal proceedings within 30 days after receipt of the aforesaid written request, or if under urgent circumstances that any delay of legal proceedings may cause irrecoverable damages to the interests of the Company, the Shareholders specified above shall have the right to directly institute legal proceedings at the People’s Court in their own names for the interest of the Company.

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If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the Shareholders specified in paragraph 1 may institute legal proceedings at the People’s Court pursuant to the preceding provisions.

Where a director, supervisor or senior management of a wholly-owned subsidiary of the Company violates laws and administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, or where a third party infringes upon the lawful rights and interests of such wholly-owned subsidiary thereby causing losses, any shareholders who individually or jointly holding no less than 1% of the Company’s shares for no less than 180 consecutive days shall have the right to submit a written request to the board of Supervisors or the board of directors of the wholly-owned subsidiary to initiate legal proceedings with the People’s Court in accordance with the relevant provisions of the Corporate Law or directly initiate legal proceedings with the People’s Court in their own name.

If a wholly-owned subsidiary of the Company does not set up a board of supervisors or does not have a supervisor, and sets up an Audit Committee instead, the relevant procedure specified in paragraph 1 and 2 above shall be followed.

If any director or senior management violates the laws, administrative regulations or the Articles of Association, thereby causing any loss to the Shareholders’ interests, the Shareholders may institute legal proceedings at the People’s Court.

18. LIQUIDATION PROCEDURES

The Company shall be dissolved under any of the following circumstances:

- (i) the expiration of the business period as stipulated in the Articles of Association or the occurrence of other grounds for dissolution as stipulated in the Articles of Association;
- (ii) the general meeting resolves to dissolve the Company;
- (iii) dissolution is necessary as a result of the merger or division of the Company;
- (iv) the business license of the Company is revoked, or the Company is ordered to be closed down, or it is deregistered according to law; and
- (v) the Company is confronted with serious difficulties in operation and management, and its continued existence may cause material loss to the interests of its shareholders, and the difficulties cannot be resolved through other means, in which case the Shareholders holding 10% or more of the voting rights held by all the Shareholders of the Company may request a People’s Court to dissolve the Company.

Where any ground for dissolution as specified in the preceding paragraph arises in respect of the Company, the Company shall within 10 days publish such ground for dissolution via the National Enterprise Credit Information Publicity System.

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Where the Company is to be dissolved pursuant to items (1), (2), (4) or (5) above, it shall undergo liquidation. Directors shall act as the liquidation obligor and establish a liquidation committee within 15 days from the date when the event of dissolution occurs. The members of the liquidation committee shall be composed of the directors or the personnel appointed by the general meeting.

Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days from the publication if any such creditor has not received the notice.

After identifying the Company’s assets and preparing the balance sheet and schedule of assets, the liquidation committee shall formulate a liquidation plan and submit it to the general meeting or the People’s Court for confirmation.

Upon completion of the company’s liquidation, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the People’s Court for confirmation, and file it with the company registry to apply for deregistration of the company.

19. OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR SHAREHOLDERS

(1) General Provisions

The Company is a permanently existing joint stock limited company.

According to the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director, or the senior management, any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, director or the senior management.

(2) Capital increase and capital reduction

The Company may increase stock capital by the following means in accordance with laws, regulations, the securities regulatory rules in the place where the Company’s shares are listed and the relevant regulatory authorities’ requirements, subject to the approval by the general meeting, for management and operation needs:

- i. Issuing shares in a public offering;
- ii. Issuing shares via a private placement;
- iii. Giving bonus shares to existing shareholders;
- iv. Converting reserve funds into shares; and

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- v. Other means approved by the laws, administrative regulations, departmental rules and relevant regulatory authorities where the Company’s shares are listed and the CSRC (if necessary).

The issuance of new shares by the Company for capital increase shall be conducted according to the procedures prescribed by the relevant laws, regulations and the listing rules of the securities regulatory authority where the Company’s shares are listed, following approval in accordance with the Articles of Association and the Listing Rules.

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

(3) Shareholders

Shareholder is entitled to rights and assumes obligations pursuant to the classification of his or her shares. Shareholder holding the same classified share has the same rights and assumes the same obligations.

The rights of our ordinary shareholders are as follows:

- i. Have the right to speak at and vote at shareholders’ meetings, unless they are required by the Hong Kong Listing Rules to wastage their voting rights on individual matters;
- ii. To receive distribution of dividends and other forms of benefits according to the number of shares held;
- iii. To legally require, convene, preside over, participate in or authorize proxies of shareholders to participate in and exercise corresponding voting rights at the general meeting, except where shareholders are required to abstain from voting on relevant matters pursuant to the securities regulatory rules of the jurisdiction where the company’s shares are listed.;
- iv. To supervise and manage business and operational activities of the Company, and to provide suggestions or submit queries;
- v. To transfer, grant or pledge the Company’s shares he/she held according to the provisions of the laws, administrative regulations, regulatory rules where the Company’s shares are listed and the Articles of Association;
- vi. To obtain relevant information according to laws, regulations and the provisions of the Articles of Association, including reading and copying the Articles of Association, register of shareholders, minutes of general meetings, resolutions of meetings of the board of directors; eligible Shareholders may inspect the accounting books and accounting vouchers. However, if the company has reasonable basis to believe that the shareholder’s inspection of

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the accounting books and vouchers is for improper purposes and may harm the company’s legitimate interests, it may refuse to provide access. In such cases, the company shall provide a written response to the shareholder explaining the reasons;

- vii. To participate in the distribution of residual properties of the company in proportion to the number of shares held in the event of the termination or liquidation of the Company;
- viii. To request the Company to buy back their shares as dissenting shareholders voting against any resolutions adopted at the general meeting concerning the merger and division of the Company;
- ix. To inspect the Hong Kong branch of the register of shareholders of the Company, provided that the company may suspend the registration of shareholders in accordance with section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
- x. Other rights conferred by laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules in the place where the Company’s shares are listed, and the Articles of Association.

(5) The board of directors

The board of directors is responsible to the general meeting.

The board of directors exercises the following powers:

- i. To convene the general meeting and report on its work to the general meeting;
- ii. Implement the resolutions of the general meeting;
- iii. Determine the business and investment plans of the Company;
- iv. Formulate the earnings distribution and loss offset plans of the Company;
- v. Formulate the proposals for increasing or decreasing the Company’s registered capital, issuance of corporate bonds or other securities and the listing plan of the Company;
- vi. Prepare plans for major acquisition, stocks buy-back, corporate merger, separation, dissolution and change corporate form of the Company;
- vii. Determine, in accordance with the Articles of Association or within the scope authorized by the general meeting, such matters as the Company’s external investments, the purchase and sale of assets, asset mortgages, external guarantees, entrusted management of finance, related-party transactions and external donations;

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- viii. Decide on the setup of the Company’s internal management organization;
- ix. Appoint or dismiss the general manager, secretary of the board, and other senior managers of the Company; based on the nomination of the general manager, appoint or dismiss senior managements of the Company such as deputy general manager, Chief financial officer (CFO) and other senior managers and determine their remuneration, reward and disciplinary matters;
- x. Formulate the basic internal management systems of the Company;
- xi. Formulate the modification plan to the Articles of Association;
- xii. Managing the information disclosure of the Company;
- xiii. Make proposals to the general meeting on the appointment or replacement of the accounting firm that provides audit services to the Company;
- xiv. Listen to work report of general manager and inspect the general manager’s work;
- xv. Formulate and implement share incentive plan of the Company;
- xvi. Approve transactions required by laws, regulations, the Listing Rules, securities regulatory rules in the place where the Company’s shares are listed, relevant regulatory authorities’ requirements and the Articles of Association to be approved by the Board of Directors; and
- xvii. Other powers and duties authorized by the laws, administrative regulations, regulations of the authorities, the Listing Rules, securities regulatory rules in the place where the Company’s shares are listed, relevant regulatory authorities’ requirements and the Articles of Association.

Board meeting shall be held only if more than one half of the directors are present. Unless otherwise provided in the Articles of Association, resolutions of the board of directors shall be passed by a simple majority of all directors.

The board of directors of the Company shall give an explanation to the general meeting on the non-standard audit report issued by the certified public accountants on the financial reports of the Company.

(6) Independent non-executive director

The board of directors of the Company has three independent non-executive directors. At least one independent non-executive director shall have applicable professional qualification or is equipped with applicable accounting or relevant financial management expertise.

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(7) Secretary of the board of directors

The Secretary of the board of directors, as a senior management officer of the Company, shall be responsible for organizing the shareholders' general meetings and board meetings, maintaining corporate records, managing shareholder information, and handling disclosure matters, while complying with all applicable laws, administrative regulations, departmental rules, the Listing Rules, and the provisions of these Articles of Association. The Company has one secretary of the board of directors.

(8) Audit committee

The Company shall set up an audit committee, to exercise the functions and powers of the board of supervisors as stipulated in the Company Law.

The audit committee consists of three directors.

The audit committee shall consist of non-executive directors who are not senior managements of the company, among them there are two independent directors, and an accounting professional among these two independent directors shall act as the convener.

(9) General manager

The Company has one general manager, appointed or dismissed by the board of directors. The general manager of the Company is responsible to the board of directors and exercises the following powers:

- i. Be in charge of the producing and operational management of the Company, organize the implement of resolutions of the board of directors and report to the board of directors on his/her work;
- ii. Organize the implementation of the Company's annual operation plans and investment schemes;
- iii. Formulate the plans for establishment of the Company's internal management organization;
- iv. Formulate the fundamental management policies of the Company;
- v. Formulate the specific management regulations and rules of the Company;
- vi. Propose to the board of directors of engagement or dismissal of the Company's deputy general manager, Chief financial officer and other senior management;
- vii. Decide to engage or dismiss other managements except those who shall be appointed or dismissed by the board of directors;

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viii. Other responsibilities authorized by the Articles of Association and the board of directors.

(10) Reserve fund

When the annual after-tax profits of the Company are distributed, the Company shall allocate 10% of the profits to the statutory reserve fund of the Company. Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

If the Company's statutory reserve fund is insufficient to offset our losses during the previous year, the profits generated during the current year shall be used to cover such losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve fund from the after-tax profits of the Company, we may also allocate to the discretionary reserves fund from after-tax profits in line with the resolution(s) adopted at the general meeting.

After the Company has covered for its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders, unless otherwise specified by the Articles of Association.

If the general meeting violates the above provisions and profits are distributed to the shareholders, the profits distributed in violation of the provisions shall be returned by such shareholders to the Company. If the Company suffers losses, the shareholders and responsible directors, senior managements shall be liable for compensation.

The shares held by the Company itself shall not be subject to profit distribution.

The Company's reserve fund shall be used to offset losses of the Company, expanding the scale of business and operations or for conversion into and increase our capital.

Where reserve fund is used to offset loss of the Company, the discretionary reserve fund and statutory reserve fund shall be firstly used; in the event they are insufficient for offsetting loss, the capital reserve fund may be applied to cover the company's losses.

Where the statutory reserve fund converts into the registered capital, the remaining statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.