
APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

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

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed, the Company may increase the Share capital by the following methods upon approval of resolutions at the Shareholders' meetings:

- (i) issuing Shares to unspecified parties;
- (ii) issuing Shares to specific targets;
- (iii) distribution of bonus Shares to existing Shareholders;
- (iv) converting the reserve funds into Share capital;
- (v) converting issued convertible corporate bonds into Shares (the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as changes in the Company's Share capital resulting from the conversion, shall be handled in accordance with the terms set forth in the Company's convertible corporate bond issuance documents);
- (vi) other methods approved by the laws, administrative regulations and other securities regulatory bodies of the places where the Shares of the Company are listed.

The Company may decrease the registered Share capital and shall comply with the procedures stipulated in the Company Law of the PRC, as well as other regulations and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own Shares, unless otherwise under the following circumstances:

- (i) to reduce the registered Share capital of the Company;
- (ii) to merge with other companies holding Shares in the Company;
- (iii) to use the Shares for an employee stock ownership plan or equity incentive plan;

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- (iv) to purchase the Shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' meeting upon their request;
- (v) to use the Shares for conversion of convertible corporate bonds issued by the Company;
- (vi) to safeguard corporate value and Shareholders' interests as the Company deems necessary;
- (vii) other circumstances permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company's Shares are listed.

If the Share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted by way of open centralized trading, or other methods permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Company's Shares are listed.

The Company shall repurchase its own Shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own Shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the securities regulatory rules of the place where the Company's Shares are listed.

After the Company repurchases its own Shares in accordance with the above provisions, it shall cancel the repurchased Shares within ten days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased Shares within six months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased Shares within three years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of Shares held by the Company shall not exceed 10% of the total number of Shares issued by the Company.

Transfer of Shares

Shares of the Company shall be transferred in accordance with the laws. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

The Directors and senior management of the Company shall report to the Company the Shares they hold in the company and any changes in such Shares. During their term of office as determined at the time of their appointment, the Shares transferrable by them each year shall not exceed 25% of the total number of Shares of the same category held by them in the Company, except for changes in Shares resulting from judicial enforcement, inheritance, bequest, or division of property in accordance with the law. If the number of Shares held by them does not exceed 1,000 Shares, such Shares be transferred in full at one time, without being subject to the aforementioned transfer ratio limitation. The Shares in the Company held by them shall not be transferred within one year from the date on which the Company's Shares are listed for trading. The Shares in the Company held by them shall not be

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transferred within half a year from their departure from the Company. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

Any gains from sale of Company's Shares or other securities with the equity nature by the Directors and senior management or Shareholders holding 5% or more of the Company's Shares within six months after their purchase of the same, and any gains from the purchase of the Shares or other securities with the equity nature by any of the aforesaid parties within six months after sale of the same shall belong to the Company, and the Board of Directors of the Company shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's Shares due to the purchase of remaining Shares after underwriting, or other circumstances stipulated by the CSRC. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail. Shares or other securities with the nature of equity held by Directors, senior management members and individual Shareholders as mentioned in this paragraph include Shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

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

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of Shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. Shareholders shall enjoy rights and assume obligations according to the class of Shares they hold. Shareholders holding Shares of the same class shall enjoy the same rights and assume the same obligations.

The original register of Shareholders of H Shares is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed as well as section 632 of the Companies Ordinance. Any person who is a Shareholder registered on the register of Shareholders of H Shares or who requests his name be entered in the register of Shareholders of H Shares may, if his Share certificate relating to the Shares is lost, apply to the Company for a replacement Share certificate in respect of such Shares. Application by a holder of overseas listed Shares, who has lost his Share certificate, for a replacement Share certificate may be dealt with in accordance with the law of the place where the original register of Shareholders of overseas listed Shares is maintained, the rules of the stock exchange or other relevant regulations.

The rights of our Shareholders are as follows:

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

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- (ii) to request, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' meeting, to speak at the Shareholders' meeting and exercise corresponding voting rights in accordance with laws, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed or applicable laws and regulations to abstain from voting on specific matters;
- (iii) to supervise operational activities of the Company, provide suggestions or submit queries;
- (iv) to transfer, grant and pledge the Company's Shares held according to the provisions of the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association;
- (v) to read and copy the Articles of Association, the register of Shareholders, minutes of the Shareholders' meeting, resolutions of the Board of Directors and financial and accounting reports; qualified Shareholders may inspect the Company's accounting books and accounting vouchers;
- (vi) to participate in the distribution of the remaining assets of the Company according to the proportion of Shares held upon the Company's termination or liquidation;
- (vii) to request the Company to acquire the Shares from Shareholders voting against the resolutions adopted at the Shareholders' meeting concerning the merger and division of the Company;
- (viii) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

In the event that any resolution of the Shareholders' meeting or resolution of the Board of Directors violates laws or administrative regulations, Shareholders are entitled to request the People's Court to determine the invalidity of such resolution. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, Shareholders are entitled to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

The obligations of Shareholders are as follows:

- (i) to abide by laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association;
- (ii) to pay the Share price according to the Shares they subscribe for and the method of subscription;
- (iii) not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;

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- (v) other obligations prescribed in laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

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

Controlling Shareholders and Actual Controllers

The Company's controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and securities regulatory rules of the places where the Shares of the Company are listed, and shall safeguard the interests of the Company.

The Company's controlling Shareholders and actual controllers shall comply with the following provisions:

- (i) to exercise Shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other Shareholders;
- (ii) to strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;
- (iii) to strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) not to appropriate the Company's funds in any way;
- (v) not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;
- (vii) not to damage the legitimate rights and interests of the Company and other Shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) to ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;
- (ix) other provisions stipulated by laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association.

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If the Company's controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or Shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' meeting

The Shareholders' meeting is the authority of the Company, which exercises its powers in accordance with applicable laws and regulations:

- (i) to elect or remove the Directors and to decide on matters relating to the remuneration of Directors;
- (ii) to examine and approve reports of the Board of Directors;
- (iii) to examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- (iv) to decide on any increase or decrease of the Company's registered capital;
- (v) to decide on the issue of corporate bonds by the Company;
- (vi) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) resolution on appointment and dismissal of an accounting firm undertaking the Company's audit business and its remuneration;
- (ix) to examine and approve the provision of guarantees stipulated in Article 48 of the Articles of Association;
- (x) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (xi) to examine and approve matters relating to changes in the use of proceeds;
- (xii) to examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) to examine and approve the repurchase of the Company's Shares in accordance with the circumstances stipulated in subparagraphs (1) and (2) of paragraph 1 of Article 25 of the Articles of Association;
- (xiv) to examine the annual remuneration plans for Directors and senior management;

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- (xv) to examine and approve other matters which shall be decided by the Shareholders' meeting as required by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of bonds by the Company. Unless otherwise provided for by laws, administrative regulations or the Articles of Association, the aforesaid powers of the Shareholders' meeting shall not be exercised by the Board of Directors or any other institution or individual on its behalf by way of authorization.

The following external guarantee behaviors of the Company shall be submitted to the Shareholders' meeting for review and approval:

- (i) any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;
- (ii) any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;
- (iii) any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;
- (iv) any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;
- (v) any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
- (vi) any guarantee provided to Shareholders, actual controllers, and their related parties;
- (vii) other guarantees required by the relevant laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters mentioned in item (iv) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the Shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to Shareholders, actual controllers, and their related parties, such Shareholders or the Shareholders controlled by such actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other Shareholders present at the meeting.

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

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

- (i) the number of Directors is less than the number prescribed in the Company Law of the PRC or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) the uncovered losses of the Company reach one-third of its total Share capital;

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- (iii) the Shareholders with 10% or more Shares of the Company separately or jointly request it;
- (iv) the Board of Directors considers it necessary;
- (v) the Audit Committee proposes to convene it;
- (vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

In the event that an extraordinary general meeting is convened at the request of securities regulatory rules of the places where the Shares of the Company are listed, the actual convening date of the extraordinary general meeting may be adjusted in accordance with the clearance progress of the stock exchange where the Shares of the Company are listed.

Convening of Shareholders' meetings

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of a majority of all independent Directors, an independent Director has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the Shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the Company's Shares have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, provide a written response within ten days of receipt, indicating whether it agrees or disagrees to convene an extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall

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issue a notice of the Shareholders' meeting within five days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receipt, Shareholders who individually or collectively hold more than 10% of the Company's Shares have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit such request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholders. If the Audit Committee fails to issue a notice of the Shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting. In such cases, Shareholders who individually or collectively hold more than 10% of the company's Shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

For Shareholders' meetings convened by the Audit Committee or Shareholders on their own, the Board of Directors and the secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of Shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or Shareholders on their own shall be borne by the Company.

Proposals and Notice of Shareholders' meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, as well as Shareholders who individually or collectively hold more than 1% of the Company's Shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's Shares may submit a temporary proposal in writing to the convener ten days prior to the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after receiving the proposal, announcing the content of the temporary proposal. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association, or if it is not within the scope of the Shareholders' meeting's authority.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The Shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the Shareholders' meeting or that do not comply with the provisions of the Articles of Association.

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The convener shall notify each Shareholder by announcement at least 21 days before the annual Shareholders' meeting, and at least 15 days before the extraordinary Shareholders' meeting. When calculating the start of the commencement period, the Company should not include the day the meeting is held. Where laws, regulations, securities regulatory rules of the places where the Shares of the Company are listed provide otherwise, such rules shall prevail.

The notice of a Shareholders' meeting includes the following:

- (i) the time, place and duration of the meeting;
- (ii) the matters and proposals to be discussed at the meeting;
- (iii) a clear statement that all Shareholders have the right to attend the meeting of Shareholders, and may entrust a proxy in writing to attend the meeting and vote and such a proxy does not need to be a Shareholder of the Company;
- (iv) the record date of the Shareholders entitled to attend the meeting;
- (v) name and telephone number of the permanent contact person for conference affairs;
- (vi) timing and procedures of voting by Internet or other methods;
- (vii) other matters that need to be specified.

After the Shareholders' meeting notice has been issued, the Shareholders' meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If securities regulatory rules of the places where the Shares of the Company are listed have special provisions regarding the procedures for postponing or canceling a Shareholders' meeting, these provisions shall prevail, provided that they do not violate the regulatory requirements of the domestic rules.

Holding of Shareholders' meeting

All Shareholders registered on the record date for equity registration or their proxies shall be entitled to attend the Shareholders' meeting. They shall be entitled to exercise voting rights at the meeting in accordance with relevant laws, regulations, securities regulatory rules of the places where the Shares of the Company are listed and the Articles of Association, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed to abstain from voting on specific matters.

Shareholders may attend the Shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof that can indicate their identity, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the Shareholder.

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Corporate Shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney legally issued by the legal representative of the legal person Shareholder, except for Shareholder who is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or securities regulatory rules of the places where the Shares of the Company are listed or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

- (i) the name or title of the principal and the category and quantity of Shares held;
- (ii) the name or title of the proxy;
- (iii) specific instructions of the Shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;
- (iv) the date of issuance and validity period of the power of attorney;
- (v) the signature (or seal) of the principal. If the principal is a corporate Shareholder, the corporate seal shall be affixed; if the overseas corporate Shareholder does not have a seal, it may be signed by a legally authorized person.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the Shareholder is a recognized clearing house (or its proxy), such Shareholder may authorize one or more persons it deems appropriate to act as its representative at any Shareholders' meeting or creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of Shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the recognized clearing house. The authorized person may exercise the rights of the recognized clearing house (or its proxy) (without presenting Shareholding certificates, notarized authorization, and/or further evidence of formal authorization) and shall enjoy the same statutory rights as other Shareholders, including the right to speak and vote, as if the person were an individual Shareholder of the Company.

If the Shareholders' meeting requires Directors and senior management to attend the meeting, the Directors and senior management shall attend and accept Shareholders' inquiries.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to perform his duties, one Director shall be elected by a majority of the Directors to preside over the meeting.

If the Shareholders' meeting is convened by the Audit Committee, it shall be presided over by the chairman of the Audit Committee. If the chairman of the Audit Committee is unable or fails to perform his duties, one Audit Committee member shall be elected by a majority of the Audit Committee, to preside over the meeting. If the Shareholders' meeting is convened by the Shareholders themselves, a

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representative shall be elected by the conveners to preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the Shareholders present and entitled to vote, the Shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

Voting at the Shareholders' meeting

The resolutions of the Shareholders' meeting divided into ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies). A special resolution at a Shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies).

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

- (i) work reports of the Board of Directors;
- (ii) plans for the distribution of profits and for recovery of losses proposed by the Board of Directors;
- (iii) appointment or dismissal of the members of the Board of Directors, and their remuneration and payment methods;
- (iv) other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

- (i) the increase or decrease of the registered capital of the Company;
- (ii) the division, spin-off, merger, dissolution and liquidation of the Company;
- (iii) any amendment to the Articles of Association;
- (iv) purchase or sale of significant assets within a year which exceeds 30% of the Company's audited total assets for the latest period;
- (v) Share option incentive plan;
- (vi) other matters as required by the laws, administrative regulations, securities regulatory rules of the places where the Shares of the Company are listed or the Articles of Association, and matters which have a significant impact on the Company if to be passed by an ordinary resolution of a Shareholders' meeting and which are deemed necessary to be passed as a special resolution.

Shareholders (including Shareholder proxies) shall exercise their voting rights based on the number of voting Shares they represent, with each Share having one vote, unless such Shareholders are required by securities regulatory rules of the places where the Shares of the Company are listed or applicable laws and regulations to abstain from voting on specific matters.

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When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

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

If a Shareholder purchases voting Shares of the Company in violation of the paragraphs 1 and 2 of Article 63 of the Securities Law of the PRC, the voting rights of such Shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting Shares present at the general meeting.

According to applicable laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed, if any Shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such Shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting Shares.

The Board of Directors, independent Directors, Shareholders holding more than 1% of the voting Shares, or investor protection institutions established in accordance with laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed may publicly solicit Shareholders' voting rights. The solicitation of Shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit Shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum Shareholding ratio restriction on the solicitation of voting rights.

DIRECTORS AND BOARD OF DIRECTORS

Directors

The Directors of the Company may include executive Directors, non-executive Directors, and independent Directors (the term "independent Director" has the same meaning as "independent non-executive Director" in the Hong Kong Listing Rules). Non-executive Directors refer to Directors who do not hold management positions in the Company. The appointment conditions, nomination and election procedures, and powers of independent Directors shall be implemented in accordance with the relevant provisions of the laws, the CSRC, and the stock exchange where the Shares of the Company are listed.

Directors shall possess the qualifications required by laws, administrative regulations, departmental rules, this Articles of Association, and securities regulatory rules of the places where the Shares of the Company are listed.

Directors not appointed as employee representative Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected. Where securities regulatory rules of the places where the Shares of the Company are listed provide otherwise in respect of the restrictions on the reappointment of Directors, such rules shall prevail.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The employee representative Director shall be elected or removed by the employees of the Company through the democratic election at the employee representatives' meeting. The employee representatives' meeting may also remove the employee representative Director from office before the expiration of his term. The term of office of the employee representative Director shall be the same as that of the current Board of Directors, and he may be re-elected for consecutive terms upon expiration of the term.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Shares of the Company are listed, and the Articles of Association until the newly elected Directors assume office.

Subject to compliance with securities regulatory rules of the places where the Shares of the Company are listed, any person appointed by the Board of Directors to fill a temporary vacancy or increase the number of Directors on the Board of Directors shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A Director may also hold the position of general manager or other senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representative Directors, shall not exceed half of the total number of Directors of the Company.

Board of Directors

The Board of Directors consists of eight Directors, including three independent Directors, one employee representative Director, one Chairman and one Vice Chairman. The Chairman and Vice Chairman shall be elected by more than one half of all Directors.

The Board of Directors exercises the following powers:

- (i) to convene the general Shareholders' meeting and report on work to the Shareholder's meeting;
- (ii) to implement the resolutions of the Shareholder's meeting;
- (iii) to determine the business and investment plans of the Company;
- (iv) to formulate plans for the distribution of profits and for recovery of losses of Company;
- (v) to formulate the plans for increasing or decreasing the Company's registered capital, the issuance of corporate bonds or other securities, as well as the listing of the Shares of the Company;
- (vi) to formulate plans for major acquisitions of the Company, the repurchase of Shares of the Company in the case of the circumstances stipulated in items (1) and (2) of paragraph 1 of Article 25 of the Articles of Association, corporate merger, separation, dissolution and changing the form of the Company;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Where the Board of Directors decides to issue Shares in accordance with the provisions of item (xix) of the preceding paragraph, resulting in changes to the Company's registered capital and the number of issued Shares, the modification of the relevant records in the Articles of Association shall not require further approval by the Shareholders' meeting, provided that such resolution of the Board of Directors shall be passed by more than two-thirds of all Directors.

Meetings of the Board of Directors shall be attended by more than one-half of the Directors before the Board of Directors meeting can be convened. Resolutions of the Board of Directors must be passed by a majority of all Directors. Where the Articles of Association, laws, regulations, or securities regulatory rules of the places where the Shares of the Company are listed provide otherwise, such rules shall prevail.

Voting on resolutions of the Board of Directors shall be conducted on a one person, one vote basis.

Independent Directors

The Company establishes a mechanism for special meeting attended solely by independent Directors. Matters such as related party transactions should be pre-approved by the special meeting of independent Directors before being submitted to the Board of Directors for consideration.

The Company shall hold special meetings of independent Directors. Matters listed in items (1) to (3) of the paragraph 1 of Article 131 and Article 132 of the Articles of Association shall be considered at a special meeting of independent Directors. The special meetings of independent Directors may study and discuss other matters of the Company as needed.

The special meetings 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 or is unable to perform his/her duties, two or more independent Directors may convene and elect a representative to preside over the meeting on their own.

Special Committees under the Board of Directors

The Board of Directors shall establish an Audit Committee to exercise the powers of the board of supervisors stipulated by the Company Law of the PRC. The members of an Audit Committee shall comprise three Directors who are not senior executives of the Company, the majority of which should be independent Directors, and an accounting professional among the independent Directors shall act as the convener.

The Board of Directors shall establish special committees such as Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, etc.

The special committees shall perform duties pursuant to the Articles of Association and the authorization of the Board of Directors, and submit proposals to the Board of Directors for consideration and decision.

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Senior Management Members

The Company shall have one general manager, several deputy general managers (the number of which shall be decided by the Board of Directors), and one chief financial officer, all of whom shall be appointed or dismissed by the Board of Directors. The general manager, deputy general managers, chief financial officer, secretary to the Board of Directors are considered senior management of the Company.

The general manager of the Company is responsible to the Board of Directors and exercises the following powers:

- (i) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- (ii) to organize and implement the Company's annual business plan and investment proposals;
- (iii) to draft plans for the establishment of the Company's internal management organizations;
- (iv) to draft the basic management system of the Company;
- (v) to formulate specific rules and regulations for the Company;
- (vi) to propose to the Board of Directors on the appointment or dismissal of deputy general manager and chief financial officer;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) other functions and powers authorized by securities regulatory rules of the places where the Shares of the Company are listed, the Articles of Association or the Board of Directors.

The general manager shall attend the meetings of the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and securities regulatory rules of the places where the Shares of the Company are listed.

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchange where the Shares of the Company are listed within four months from the end of each fiscal year, and its interim reports to the local office of the CSRC and the stock exchange where the Shares of the Company are listed within two months from the end of the first half of each fiscal year.

The above annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and securities regulatory rules of the places where the Shares of the Company are listed.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph. Subject to a resolution of the Shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, the remaining after-tax profits shall be distributed according to the proportion of Shares held by Shareholders, unless otherwise stipulated in the Articles of Association.

If the Shareholders' meeting violates the provisions of the Company Law of the PRC, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company. The Shareholders, responsible Directors and senior management members shall be liable for compensation if the Company suffers losses as a result thereof.

No profit shall be distributed in respect of the Shares of the Company which are held by the Company.

The Company shall appoint one or more collection agents for H-Share Shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H-Share Shareholders the dividends distributed and other funds payable by the Company in respect of the H-Share Shareholders, and hold such monies in their custody pending payment to the H-Share Shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and securities regulatory rules of the places where the Shares of the Company are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. When using reserve fund to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When the statutory reserve funds are converted into capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

Internal Audit

The Company has implemented an internal audit system which explicitly defines the leadership structure, authorities and responsibilities, staffing requirements, fund guarantee, application of audit results, and accountability mechanism in respect of the internal audit activities, etc.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors and publicly disclosed.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law of the PRC, and securities regulatory rules of the places where the Shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be re-appointed. The appointment of accounting firm by the Company shall be subject to the approval of Shareholders' meetings. The Board of Directors shall not appoint accounting firm before the approval of the Shareholders' meeting.

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

The audit fees of the accounting firm or the method of determining audit fee shall be determined by the Shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 15 days in advance; when the Shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the Shareholders' meeting whether the Company has committed any improper act.

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

Merger, Division, Capital Increase and Capital Reduction

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

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

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

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. Unless a written

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When reducing its registered capital, the Company shall reduce the amount of capital contribution or Shares held by the Shareholders in proportion to their respective Shareholdings, unless otherwise provided for by law or the Articles of Association.

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

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;
- (ii) the Shareholders' meeting adopts a resolution to dissolve the Company;
- (iii) the Company needs to be dissolved for the purpose of merger or division;
- (iv) the business license of the Company is revoked, or the Company is ordered to close or be eliminated according to applicable laws;
- (v) where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the Shareholders, and the difficulties may not be overcome through other means, Shareholders who hold more than 10% of all voting rights of the Company's Shareholders may request the people's court to dissolve the Company.

Where any cause for dissolution as provided in the preceding paragraph occurs, the Company shall publicize the cause for dissolution within ten days on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統).

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

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

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors or other persons decided by the Shareholders' meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it in the designated newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the company's debts. The remaining assets shall be distributed among the Shareholders in proportion to their Shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the Shareholders before the aforementioned provisions have been complied with.

After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the court.

Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and file it with the company registration authority to apply for the cancelation of the company registration and announce the termination of the Company.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

AMENDMENT TO THE ARTICLES OF ASSOCIATION

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

- (i) after the Company Law of the PRC or relevant laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed are amended, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules of the places where the Shares of the Company are listed;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the Shareholders' meeting has resolved to amend the Articles of Association.

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

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

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws, regulations or securities regulatory rules of the places where the Shares of the Company are listed shall be announced in accordance with provisions thereof.