

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

This appendix contains a summary of the principal provisions of the Articles of Association adopted on [REDACTED], which will become effective on the date of [REDACTED] of the H Shares on the Stock Exchange. This Appendix is mainly designed to provide potential investors with an overview of the Articles of Association of the Company, therefore, it may not contain the information that is important to potential investors. As discussed in “Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display”, the full Chinese version of the Articles of Association is available for inspection.

### 1. SHARES AND REGISTERED CAPITAL

Shares of the Company are represented by share certificates. The shares of the Company shall be issued based on the principle of openness, fairness and impartiality and shall rank *pari passu* with the shares of the same class. Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The same price shall be paid for each of the shares subscribed for by all entities or individuals.

The Company shall not provide grants, loans, guarantees and other financial assistance for others to acquire shares of the Company or its parent company, except for the Company’s implementation of the employee stock ownership plan or authorized by the general meeting or the board according to the Articles of Association.

The Company may, for the benefit of the Company, provide financial assistance to others for the acquisition of shares of the Company upon a resolution of the general meeting, or a resolution of the board of directors in accordance with the articles of association or the authorization of the general meeting, provided that the total amount of financial assistance shall not exceed 10% of the total issued share capital. Resolutions of the Board of Directors shall be passed by at least two-thirds of all directors.

### 2. INCREASE AND REDUCTION IN CAPITAL AND REPURCHASE OF SHARES

Based on the needs of operation and development, the Company may increase capital by the following means in accordance with the provisions of the laws, regulations and the Hong Kong Listing Rules of the premise where the Company’s shares are listed stipulate otherwise upon resolution of the general meeting:

- (1) [REDACTED] of Shares;
- (2) non-[REDACTED];
- (3) distributing bonus shares to its existing Shareholders;
- (4) conversion of capital reserve into share capital;
- (5) other methods specified by the laws and administrative regulations, the Hong Kong Listing Rules and approved by the CSRC.

The Company may reduce its registered capital. The reduction of the Company’s registered capital shall follow the procedures set forth in the Company Law, the securities regulatory rules of the place where the Company’s shares are [REDACTED], other relevant regulations and the provisions of the Articles of Association.

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## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

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The Company shall not purchase its own shares, except in any of the following circumstances:

- (1) To reduce the registered capital of the Company;
- (2) To merge with another company that holds its shares;
- (3) To use the shares in the employee share ownership plan or for share incentive;
- (4) The shareholders disagreeing with the merger or division resolution made by the general meeting ask the Company to acquire their shares;
- (5) To use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (6) Necessary for the Company to protect its value and the shareholders' equity;
- (7) any other circumstances permitted by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [REDACTED].

### 3. SHARE TRANSFER

The Company shall not accept its own shares as collateral.

Shares that have been issued before the [REDACTED] shall not be transferred for a period of one year commencing from the date of [REDACTED] of the Company's shares on a stock exchange.

The directors, supervisors, senior officers of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company in the same class held by them. The shares of the Company held by them shall not be transferred within one year as of the [REDACTED] of the shares of the Company. These people shall not transfer the shares of the company held by them within half of the year from their departure from the company. If the shares are pledged within the time limit for transfer prescribed by laws or regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

### 4. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

The Company shall make a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company convenes a general meeting, distributes dividends, executes clearing or makes other conducts that require confirmation of equities, the Board of Directors or the convener of the general meeting shall determine the equity registration date. Shareholders included in the register of shareholders at the close of business on the equity registration date shall be the entitled shareholders.

Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other distributions in proportion to the number of shares held;

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## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

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- (2) to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on his behalf at the general meetings in proportion to the number of shares held in accordance with laws;
- (3) to supervise the Company's operations, and to put forward proposals and raise inquiries;
- (4) to transfer, give as gift or pledge their shares in accordance with the laws, administrative regulations, the Articles of Association and other relevant requirements;
- (5) to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of shareholders' meetings, resolutions of the Board meetings, resolutions of meetings of the Audit Committee, and financial and accounting reports;
- (6) to participate in the distribution of the remaining assets of the Company according to the number of Shares held, in the event of the termination or liquidation of the Company;
- (7) the shareholders disagreeing with the merger or separation resolution made by the general meeting are entitled to ask the Company to acquire their Shares;
- (8) other rights stipulated by laws, administrative regulations, department rules, Hong Kong Listing Rules or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

- (1) to comply with the laws, administration regulations and the Articles of Association;
- (2) to pay subscription moneys for the Shares subscribed in accordance with the agreed manner of payment;
- (3) no withdrawal from the Company except for the circumstances set out in the relevant laws and administrative regulations;
- (4) not to abuse shareholder's rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (5) other obligations stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association.

Where the abuse of shareholders' rights causes any loss to the company or other shareholders, such abusive shareholder shall be liable for compensation in accordance with the law. Where shareholders of a company take advantage of the company's independent status or the limited liability of shareholders to disregard debts and seriously injure the interests of the company's creditors, such shareholders shall bear joint and several liability for the debts of the company.

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## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

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### 5. GENERAL MEETINGS

#### (1) General provisions

The general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers according to law:

- (a) To elect and replace directors and supervisors and to decide matters relating to the remuneration of directors and supervisors;
- (b) To examine and approve reports of the Board;
- (c) To examine and approve reports of the Audit Committee;
- (d) To review and approve the Company's annual financial budget plan and final account plan;
- (e) To examine and approve profit distribution plans and loss recovery plans of the Company;
- (f) To make resolutions concerning the increase or reduction of the Company's registered capital;
- (g) To make resolutions on the issuance of corporate bonds;
- (h) To pass resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;
- (i) To amend the Articles of Association;
- (j) To make resolution on the engagement or removal of the accounting firm;
- (k) To review and approve the guarantee matters set out Article 42 of the Articles of Association;
- (l) To examine matters relating to the Company's purchase and/or sale of major assets within one year that exceed 30% of the audited total assets of the Company in the most recent period;
- (m) To examine and approve matters concerning changes in the use of raised funds;
- (n) To consider the equity incentive scheme and employee stock ownership plan;
- (o) To examine other matters that shall be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

The general meetings shall be divided into the annual general meetings and the extraordinary general meetings (the "EGM"). The annual general meeting shall be convened once a year, and shall be held within six months after the prior fiscal year ends.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

The Company shall convene an EGM within two months of the occurrence of any of the following circumstances:

- (a) the number of directors is less than the number specified in the PRC Company Law or two-thirds of the number required by the Articles of Association;
- (b) the uncovered loss of the Company reaches one-third of the total share capital of the Company;
- (c) Shareholders holding at least 10% of the company's stocks make a request;
- (d) the Board considers it necessary;
- (e) the Audit Committee proposes such a meeting be held;
- (f) any other circumstances stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

### **(2) Convening of the General Meeting**

Independent non-executive directors (independent directors) have the right to propose to the Board to convene an EGM. For the proposal of independent directors of convening an EGM, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the EGM or not within ten days upon receipt of the proposal. If agreeing to convene an EGM, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. If the Board does not agree to convene such meeting, the reasons shall be stated and announced.

The Audit Committee has the right to propose to the Board to convene an EGM, and shall make such proposal in writing. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and this Articles of Association, give a written reply on whether to convene the EGM or not within ten days upon receipt of the proposal.

When the Board of Directors agrees to convene an EGM, the Board of Directors shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the Audit Committee.

When the Board of Directors does not agree to convene an EGM, or does not provide written feedback within ten days upon receipt of the proposal, the Board of Directors shall be considered to be unable or fail to perform the duty of convening an EGM. The Audit Committee may convene and preside over the meeting on its own.

The shareholders who individually or jointly hold more than 10% of the shares of the Company shall have the right to propose to the Board of Directors and the Audit Committee for convening of an EGM, and shall make such request to the Board of Directors and the Audit Committee in writing. The Board of Directors and the Audit Committee shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, make a decision on whether to convene the EGM or not within ten days upon receipt of the request and provide a written reply to the shareholders.

When the Board of Directors and the Audit Committee agree to convene an EGM, they shall, within five days after the Board resolution and the resolution of Audit Committee are made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the relevant shareholders.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

When the Board of Directors and the Audit Committee do not agree to convene an EGM, or do not provide feedback within ten days upon receipts of the request, shareholders who individually or collectively holding more than 10% of the Company's shares for 90 consecutive days, shall have the right to convene and preside over such a meeting.

Where the laws, administrative regulations, departmental rules and securities regulatory rules of the premise where the Company's shares are [REDACTED] stipulate otherwise, the relevant provisions shall prevail.

### **(3) Proposals and Notices of General Meetings**

When the Company convenes the general meeting, the Board of Directors, Audit Committee and shareholders holding more than 1% of the shares of the Company separately or jointly are entitled to submit proposals to the Company.

Limited by the Hong Kong Listing Rules, the shareholders holding more than 1% of the shares of the Company separately or jointly may raise temporary proposal and submit it to the board of directors in writing ten days before the general meeting is held. The temporary proposal shall be determined and detailed. The board of directors shall supplement the notice of general meeting in two days after receiving the proposal and publicize the content of the temporary proposal, except that the temporary proposal violates laws, administrative regulations or the provisions of the articles of association of the Company, or does not fall within the scope of authority of the general meeting.

Save as specified above or according to the Hong Kong Listing Rules, the convener shall neither revise the proposals set out in the notice of general meetings nor add new proposals after issuing the notice of general meeting.

The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or resolutions not in conformity with Article 53 of the Articles of Association.

### **(4) Holding of general meetings**

All the shareholders recorded in the register as of the equity registration date have the right to attend the general meeting and exercise the voting rights in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend the general meeting in person, and also may appoint a proxy to attend and vote on his/her behalf.

The general meeting is presided over by the Chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, the deputy chairman of the Board of Directors shall preside over the meeting (if the company has two or more deputy chairmen, deputy chairmen is elected by more than half of the directors to preside over the board.) If the company does not have a vice chairman or unable or fails to perform his/her duties, a director elected by above half of the directors shall preside over the meeting.

If a shareholders' meeting is convened by the audit committee, the convener of the audit committee shall preside over the meeting. If the convener of the audit committee is unable to or will not discharge his duties, exceeding half of members of the audit committee shall nominate a members of the audit committee to preside over the meeting.

If a General Meeting is convened by the shareholders, the convener shall elect a representative to preside over the meeting.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

During the course of a general meeting, if the meeting presider violates the procedural rules such that the meeting cannot be continued, the shareholders in the general meeting may elect one person to act as the meeting presider to continue the meeting as long as the proposed chairman has the consent of more than half of the shareholders with voting rights who are present at the meeting.

### (5) Voting and Resolutions of General Meetings

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

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the meeting.

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

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

- (a) reports of the Board of Directors;
- (b) profit distribution proposals and proposals for making up losses formulated by the Board of Directors;
- (c) appointment, dismissal and remuneration of the members of the Board and the method of payment of the remuneration;
- (d) other matters other than those that shall be resolved by special resolutions according to laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association.

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

- (a) Increase or reduction of the Company's registered capital;
- (b) separation, division, merger, dissolution and liquidation of the Company;
- (c) amendment of the Articles of Association;
- (d) the Company's purchase or disposal of major assets within one year or guarantee amount exceeding thirty percent of the latest audited total assets of the Company;
- (e) the equity incentive scheme;
- (f) other matters required to be resolved by way of a special resolution by the laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and matters which, according to an ordinary resolution of the general meeting, may have a significant impact on the Company and shall be resolved by way of a special resolution.

## 6. DIRECTORS AND THE BOARD

### (1) Directors

Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office. The Directors have a tenure of three years and can be reelected upon the expiry of the tenure.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

The term of office of directors shall last from the date on which the directors take office to the expiration of the term of office of the current Board of Directors. Where a new elect is not yet available upon expiration of a director's term, or the number of the directors on the board is less than the quorum due to the resignation of a director within his term, such director, before the new elect takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, the articles or association and the regulatory rules of the place where the Company's shares are [REDACTED].

A director may be the general manager or other senior officer concurrently, provided that the total number of directors who concurrently serve as the general manager or other senior officers and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

### (2) Board of Directors

The Board of Directors shall consist of 7 to 9 directors, at least one-third of the number of whom shall be independent non-executive Directors. The Board of Directors shall have one chairman. The Board shall exercise the following functions and powers:

- (a) to convene general meetings and presenting reports thereto;
- (b) to implement resolutions adopted by the general meeting;
- (c) to resolve on the Company's business plans and investment plans;
- (d) to formulate the Company's annual financial budget plan and final account plan;
- (e) to formulate the profit distribution plan and loss recovery plan of the Company;
- (f) to formulate the plans of increasing or decreasing the Company's registered capital, issuing corporate bonds or other securities, and going public;
- (g) to formulate the plans for merger, division, dissolution or change of corporate form of the company;
- (h) within the scope of authorization of the shareholders' meeting, determining matters such as the Company's external investments, acquisition and sale of assets, mortgage of assets, provision of guarantees to entities other than subsidiaries, entrusted wealth management, (connected) related transactions, external donations, etc.;
- (i) to determinate the setup of the Company's internal management structure;
- (j) to appoint or dismiss the general manager, board secretary and other senior officers of the Company, and decide on matters of remuneration, rewards and punishments; to appoint or dismiss senior officers according to the nomination of the general manager, and decide on matters of remuneration, rewards and punishments;
- (k) to formulate the basic management system of the Company;
- (l) to formulate proposals for any amendment to the Articles of Association;
- (m) to request the general meeting to engage or replace the accounting firm that provides audit for the Company;

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## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

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- (n) to debrief the work report of the general manager of the Company and check the works of the general manager;
- (o) to approve the matters required by the Board of Directors under laws, regulations, the Hong Kong Listing Rules and the Articles of Association (including but not limited to related (connected) transactions or other transactions);
- (p) any other functions and powers granted by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the Articles of Association, and the general meeting.

The Board of Directors of the Company shall have the Audit Committee, Nomination Committee and Remuneration Committee. The special committees shall be accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Their proposals shall be submitted to the Board of Directors for deliberation and decision. All special committees are comprised of directors. The majority of members of the Audit Committee, the Nomination Committee, and the Remuneration Committee shall be independent directors, who shall also be the conveners, provided that the convener of the Audit Committee shall be an accounting professional. The members of the audit committee should be directors who do not hold senior management positions within the company. The Board of Directors shall be responsible for formulating the working rules of the special committees and regulating their operation.

### 7. GENERAL MANAGER AND OTHER SENIOR OFFICERS

The Company shall have one general manager who shall be appointed or removed by the Board.

The general manager, deputy general manager, chief financial officer, board secretary and other persons expressly appointed by the board as the senior officers shall be the senior officers of the Company. The general manager shall be accountable to the Board and exercise the following powers and functions:

- (1) to be in charge of the Company's production, operation and management, organize the implementation of resolutions of the Board of Directors, and report to the Board of Directors;
- (2) to organize the implementation of the Company's annual business plans and investment plans;
- (3) to prepare the proposal for the setup of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate the detailed rules and regulations of the Company;
- (6) to propose to the board of directors the appointment or dismissal of the deputy general manager and chief financial officer;
- (7) to decide to employ and dismiss the responsible management personnel other than those to be employed and dismissed by the Board of Directors;
- (8) according to the authorization of the Board of Directors and the general meeting, make decisions on the Company's foreign investment, asset disposal, related (connected) transactions and other matters;

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## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

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- (9) to decide and sign economic contracts in daily production and operation on behalf of the Company;
- (10) to examine and approve the expenses incurred in the daily operation and management activities of the Company, and issue daily administrative and business documents;
- (11) to draw up wage, welfare, reward and punishment plans for the Company's employees, and decide on the employment and dismissal of the Company's employees;
- (12) other functions and powers granted by the Articles of Association or the Board of Directors.

The general manager and other senior managements shall attend meetings of the Board as an observer.

### **8. FINANCIAL AND ACCOUNTING SYSTEMS**

The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, and rules of the relevant authorities of the state.

The general meeting shall examine and approve the annual financial and accounting report within six months from the end of each fiscal year. The above financial and accounting reports are prepared in accordance with relevant laws, administrative regulations, departmental rules and the Hong Kong Listing Rules.

### **9. PROFIT DISTRIBUTION**

The Company's profit distribution policy is:

#### **(1) Profit distribution principle**

The Company's profit distribution policy should pay attention to the reasonable return on investment to shareholders, and the profit distribution policy should maintain continuity and stability. The distribution of the Company's profits shall not exceed the scope of the accumulated distributable profits and shall not impair the Company's ability to continue operation.

Where a shareholder illegally occupies the company's funds, the Company shall deduct the cash dividend distributed by the shareholder in order to repay the funds occupied by the shareholder.

#### **(2) Forms of profit distribution**

The Company may distribute dividends in the form of cash or stock and actively promote the way of cash distribution. An interim cash dividend is possible.

### **10. APPOINTMENT OF ACCOUNTING FIRMS**

The Company shall employ an accounting firm that complies with the provisions of the Securities Law to audit financial reports, verify net assets, and offer other relevant consulting services. The term of employment of such accounting firm shall be one year, which is renewable.

Employing an accounting firm for the Company shall be decided by the general meeting.

The Board shall not appoint an accounting firm before a general meeting is held.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

### 11. DISSOLUTION AND LIQUIDATION

The Company shall be dissolved if:

- (1) business term specified in the Articles of Association expires or other dissolution reasons as stipulated in the Articles of Association arise;
- (2) the general meeting resolves to dissolve the Company by means of special resolution;
  - a dissolution is required due to merger or division of the Company;
- (3) the Company has its business license revoked according to law, ordered to close or canceled;
- (4) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of the shareholders and there is no other way to resolve, shareholders who hold an aggregate of over ten percent of the whole voting rights can make a petition to the People's Court to dissolve the Company.

If a company is in the situation of paragraphs 1 and 2 of the preceding article and has not yet distributed its property to its shareholders, it may survive by amending its articles of association or by a resolution of the general meeting. Amendments to the Articles of Association or resolutions of general meeting made in accordance with the provisions of the preceding paragraph shall be approved by more than 2/3 of the voting rights held by the shareholders attending the general meeting.

After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

The remaining property of the Company after paying the liquidation expenses, wages owed to employees of the Company, labor insurance fees and statutory compensation, outstanding taxes and debts of the Company shall be distributed in proportion to the number of shares held by shareholders.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

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

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

After the liquidation of a company is completed, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting or the people's court for confirmation, and shall submit it to the company registration authority to apply for cancellation of the registration of the company.

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**APPENDIX V**

**SUMMARY OF ARTICLES OF ASSOCIATION**

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**12. AMENDMENT TO THE ARTICLES OF ASSOCIATION**

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

- (1) After the amendment of the PRC Company Law or relevant laws and administrative regulations, or the Hong Kong Listing Rules and the matters stipulated in the Articles of Association conflict with the provisions of the amended laws, administrative regulations or listing rules of the stock exchange where the Company's share are **[REDACTED]**;
- (2) There has been a change to the Company, resulting in inconsistency with the content in the Articles of Association;
- (3) The general meeting approves to amend the Articles of Association by a special resolution.

Where any amendment to the Articles of Association passed by the resolution of the shareholders' meeting is subject to review and approval of competent authorities, such amendment shall be submitted to the competent authorities for approval; where the Company's registration matters are involved, such changes shall be registered in accordance with the laws.