
APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

This appendix contains a summary of the principal provisions of the Articles of Association adopted by the Company, which will take effect from the date of [REDACTED] of H Shares on the Hong Kong Stock Exchange.

Shares and Registered Capital

The shares of the Company shall take the form of share certificates. The shares issued by the Company shall have their par values denominated in RMB, with each share having a par value of RMB1.

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same class shall have equal rights.

Shares of the same class and in the same issuance shall be issued on the same conditions and at the same price. Any subscriber shall pay the same price for each of the shares of the same class and in the same issuance it or he/she subscribes for.

Increase, Reduction and Repurchase of Shares

Capital Increase

The Company may, based on its operational and developmental needs, increase its capital by any of the following methods in accordance with the requirements of laws and regulations, subject to separate resolutions adopted by the shareholders' meeting:

- (I) offering of shares to non-specific objects;
- (II) offering of shares to specific objects;
- (III) distribution of bonus shares to existing shareholders;
- (IV) conversion of funds in the capital reserve to share capital;
- (V) other methods stipulated by the laws and administrative regulations and approved by the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

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Capital Reduction

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

Transfer of Shares

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

The directors and senior management members of the Company shall declare to the Company their shareholdings in the Company and the changes thereof and shall not transfer more than 25% of the total number of shares of the Company they hold per annum during their terms of office as determined at the time of taking office. The shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are [REDACTED] and [REDACTED]. The shares of the Company held by the aforesaid personnel shall not be transferred within half a year after they terminate service with the Company.

Where the relevant provisions of the securities regulatory authorities and the stock exchange in the place where the Company's shares are [REDACTED] provide otherwise with respect to restrictions on transfer of overseas listed shares, such provisions shall prevail.

If the shares are pledged within the transfer restriction period stipulated in laws and administrative regulations, the pledgee shall not exercise the pledge right within the transfer restriction period.

Share Register

The Company shall establish a share register according to the Company Law, other relevant regulations and the provisions of the Articles of Association. The share register shall be the sufficient evidence for the shareholders' shareholding in the Company. Shareholders shall enjoy relevant rights and assume relevant obligations in accordance with the class of 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 shareholders' meeting, distributes dividends, conducts liquidation or performs other activities that require the confirmation of the identity of the shareholders, the Board of Directors or the convener of the shareholders' meeting shall determine the record date, and shareholders whose names appear on the share register after market closing on the record date shall be the shareholders entitled to the relevant rights and interests.

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Rights and Obligations of Shareholders

The shareholders of the Company shall have the following rights:

- (I) to obtain dividends and other forms of profit distribution in proportion to the number of shares held;
- (II) to legally request, convene, preside over, attend or appoint a proxy to attend a shareholders' meeting, and exercise the corresponding voting rights and make speeches thereat;
- (III) to supervise the Company's business operations, propose recommendations or raise inquiries;
- (IV) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;
- (V) to inspect and copy the Articles of Association, share register, minutes of shareholders' meetings, resolutions of Board meetings, and financial and accounting reports;
- (VI) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held by them;
- (VII) to inspect the Company's share register kept in Hong Kong; however, the Company may be allowed to close the share register on terms equivalent to the Companies Ordinance (section 632 of the Laws of Hong Kong);
- (VIII) to require the Company to repurchase their shares in the event of objection to resolutions of the shareholders' meetings concerning merger or demerger of the Company;
- (IX) other rights stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are [REDACTED] or the Articles of Association.

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Shareholders' Meetings

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers pursuant to the law:

- (I) to elect and replace directors and decide on matters relating to the remuneration of directors;
- (II) to consider and approve the reports of the Board of Directors;
- (III) to consider and approve profit distribution plans and loss recovery plans of the Company;
- (IV) to resolve on increase or decrease of the registered capital of the Company;
- (V) to resolve on issuance of corporate bonds;
- (VI) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to resolve on appointment or dismissal of the Company's accounting firms, as well as matters relating to the remuneration of accounting firms;
- (IX) to consider and approve guarantee matters specified in the relevant provisions of the Articles of Association;
- (X) to consider and approve the Company's purchase or disposal of major assets within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;
- (XI) to consider and approve matters relating to the changes in the use of proceeds;
- (XII) to consider and approve major transactions and connected transactions that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association;
- (XIII) to consider equity incentive schemes and employee stock ownership plans;
- (XIV) to consider other matters that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are [REDACTED] or the Articles of Association.

The shareholders' meeting of the Company may authorize the Board of Directors to make resolutions on the issuance of corporate bonds and shares.

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Unless otherwise provided by laws, administrative regulations, the CSRC's regulations or the securities regulatory rules of the place where the Company's shares are [REDACTED], the aforesaid functions and powers of the shareholders' meeting shall not be exercised by the Board of Directors or other institutions or individuals in the form of authorization, but authorization may be granted to the Board of Directors or directors to handle or implement relevant resolutions upon approval of such resolutions by the shareholders' meeting through voting.

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

The Board of Directors shall convene an extraordinary shareholders' meeting within two months from the date of occurrence of any of the following circumstances:

- (I) when the number of directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;
- (III) when shareholders individually or jointly holding more than 10% of the Company's shares request to convene the meeting;
- (IV) when deemed necessary by the Board of Directors;
- (V) when proposed by the Audit Committee;
- (VI) when there arise other circumstances as stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are [REDACTED] or the Articles of Association.

Convening of the Shareholders' Meeting

Independent non-executive directors are entitled to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Where independent non-executive directors propose to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the laws, administrative regulations, regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within five days after the resolution is passed by the Board of Directors. If the Board of Directors does not agree to hold the extraordinary shareholders' meeting, it shall give the reasons and make an announcement in respect thereof.

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The Audit Committee has the right to propose in writing to the Board of Directors to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with the laws, administrative regulations, regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within five days after the resolution is passed by the Board of Directors, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee.

If the Board of Directors does not agree to hold the extraordinary shareholders' meeting or fails to reply within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's shares (excluding voting rights attached to treasury shares) shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and add the proposal to the meeting agenda, and shall submit the request in writing to the Board of Directors. The written request shall clarify the topic of the meeting and include a complete proposal. The Board of Directors shall, in accordance with the laws, administrative regulations, the regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the request.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within five days after the resolution is passed by the Board of Directors, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. Where the laws, administrative regulations, departmental rules, and the regulatory rules of the place where the Company's shares are [REDACTED] have other provisions, such provisions shall prevail.

If the Board of Directors does not agree to hold the extraordinary shareholders' meeting or fails to reply within 10 days after receiving the request, shareholders who individually or jointly hold more than 10% of the Company's shares shall have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within five days upon receipt of the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unwilling to convene and preside over the shareholders' meeting, and shareholders who individually or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

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Proposals of the Shareholders' Meeting

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders who individually or jointly hold more than 1% of the Company's shares have the right to submit proposals to the Company.

Shareholders who individually or jointly hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the date of the shareholders' meeting. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' meeting and announce the content of the temporary proposal.

Save as specified in the preceding paragraph and by laws and administrative regulations, the convener shall not change the proposals set out in the notice of the shareholders' meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the shareholders' meeting or not complying with the Articles of Association shall not be voted on or resolved on at the shareholders' meeting.

Notices of the Shareholders' Meeting

The convener shall notify all shareholders in writing at least 21 days before the annual shareholders' meeting and at least 15 days before the extraordinary shareholders' meeting.

Holding of Shareholders' Meetings

All the shareholders whose names appear in the register of shareholders on the equity registration date or their proxies are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may attend the shareholders' meeting in person or appoint one or more proxies to attend and vote on their behalf.

If an individual shareholder attends the meeting in person, he/she shall present his/her identity card, other valid documents or certificates that can identify himself/herself or share certificate; if a proxy is appointed to attend the meeting, the proxy shall present his/her own valid identity card and the power of attorney from the shareholder.

Legal person shareholders shall be represented by their legal representative or a proxy entrusted by the legal representative to attend the meeting. If a legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving his/her qualifications as a legal representative; if a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written power of attorney issued by the legal representative of the legal person shareholder in accordance with the law (except for the recognized clearing house or its agent) or a form appointing the proxy signed by its duly authorized personnel. If the legal person shareholder has appointed a representative to attend the shareholders' meeting, such shareholder shall be deemed as having attended the meeting in person.

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If a shareholder is a recognized clearing house (or its agent) as defined by the relevant ordinances enacted from time to time in Hong Kong, the 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 type of shares involved for each such person authorized, and the power of attorney shall be signed by an authorized person of the recognized clearing house. A person so authorized may represent the recognized clearing house (or its agent) to attend the meeting (without the need to present share certificates, notarized authorizations, and/or further evidence of formal authorization) and exercise rights, including the right to speak and vote, as if the person were an individual shareholder of the Company.

Resolutions of the Shareholders' Meeting

Resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

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

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

The following matters shall be passed by ordinary resolutions at the shareholders' meeting:

- (I) the work reports of the Board of Directors;
- (II) the profit distribution plan and loss recovery plan drawn up by the Board of Directors;
- (III) the appointment and removal of members of the Board of Directors and their remuneration and payment methods;
- (IV) the issuance of the bonds of the Company;
- (V) the engagement or dismissal of the accounting firm;
- (VI) other matters than those required to be passed by a special resolution under laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], or the Articles of Association.

The following matters shall be passed by special resolutions at the shareholders' meeting:

- (I) the increase or decrease of the Company's registered capital;
- (II) the division, spin-off, merger, dissolution, liquidation or change of corporate form of the Company;
- (III) the amendment of the Articles of Association;

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- (IV) the Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's latest audited total assets within one year. The aforementioned provisions shall not apply to guarantees provided by the Company for its subsidiaries, by subsidiaries for the Company, or among subsidiaries;
- (V) equity incentive plans;
- (VI) other matters that are stipulated in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED] or the Articles of Association, as well as those that are determined by the shareholders' meeting to have a significant impact on the Company through ordinary resolutions and need to be passed through special resolutions.

Where the securities regulatory rules of the place where the Company's shares are [REDACTED] have other provisions, such provisions shall prevail.

Directors and the Board of Directors

Directors

A director shall be elected or replaced by the shareholders' meeting, and his/her positions may be terminated by the shareholders' meeting through an ordinary resolution before the expiration of his/her term of office, provided that such termination shall not prejudice the director's right to claim damages under any contract. The term of the Board of Directors is three years per session. Upon the expiration of their terms of office, directors may be re-elected for consecutive terms, unless otherwise provided by relevant laws, regulations and the securities regulatory rules of the place where the Company's shares are [REDACTED].

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current session of the Board of Directors. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as a director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director takes office.

A senior management member may concurrently serve as a director, provided that the aggregate number of directors who concurrently serve as senior management members shall not exceed one half of the total number of directors of the Company.

Board of Directors

The Board of Directors shall consist of no fewer than seven directors, including at least three independent non-executive directors. At least one-third of the members of the Board of Directors shall be independent non-executive directors, with at least one possessing the appropriate professional qualifications as required by the Listing Rules or relevant expertise in accounting or financial management. All independent non-executive directors shall meet the independence requirements stipulated in the Listing Rules.

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

- (I) to convene the shareholders' meetings and report to the shareholders' meetings on its work;
- (II) to execute resolutions of the shareholders' meetings;
- (III) to decide on the Company's operational plans and investment plans;
- (IV) to formulate the Company's profit distribution plans and loss recovery plans;
- (V) to formulate plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;
- (VI) to draft plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or change of corporate form of the Company;
- (VII) to decide on matters such as the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorized by the shareholders' meeting or according to the securities regulatory rules of the place where the Company's shares are [REDACTED];
- (VIII) to decide on the establishment of the Company's internal management structure;
- (IX) to decide on appointment or dismissal of the Company's general manager and his/her remuneration; based on the general manager's nomination, to decide on appointment or dismissal of other senior management members of the Company, and their remuneration and matters of reward and punishment;
- (X) to formulate the Company's basic management system;
- (XI) to formulate proposals for amendments to the Articles of Association;
- (XII) to manage the Company's information disclosure matters;
- (XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firm providing audit services for the Company;
- (XIV) to listen to the work reports of the Company's general manager and review the work of the general manager;

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(XV) to consider and handle the [REDACTED] of the domestic unlisted shares held by the domestic shareholders into overseas listed shares, and their subsequent listing on an overseas stock exchange;

(XVI) to exercise other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Board of Directors shall have the following decision-making authorities:

- (I) The total assets involved in the transaction (where both book value and appraised value exist, if higher) or the transaction amount accounts for 10% or more of the Company's latest audited total assets;
- (II) The transaction amount (including debts and expenses assumed) accounts for 10% or more of the Company's latest audited net assets;
- (III) External guarantee matters other than those approved by the shareholders' meeting;
- (IV) Other authorities that shall be decided by the Board of Directors under the Listing Rules.

If a director or his/her close associates (as defined in the Listing Rules) have a relationship with an enterprise or individual involved in the matters to be resolved by a Board meeting resolution, such director shall not exercise the voting right on such resolution, nor shall they act as a proxy to exercise the voting right on behalf of any other director. Their voting rights shall not be counted in the total number of voting rights.

A Board meeting may be held with the attendance of a majority of the non-connected directors, and the resolutions passed at the Board meeting shall be approved by a majority of the non-connected directors.

Where the number of non-connected directors attending the Board meeting is less than three, such matter shall be submitted to the shareholders' meeting for deliberation. Where the Listing Rules provide otherwise, such provisions shall prevail.

Independent Non-Executive Directors

Independent non-executive directors shall, in accordance with the law, administrative regulations, the provisions of the CSRC, the Hong Kong Stock Exchange and the Articles of Association, conscientiously perform their duties, and play a role in participating in decision-making, supervisory checks and balances, and professional consultation in the Board of Directors, to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

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Independent non-executive directors must maintain their independence. The following persons shall not serve as independent non-executive directors:

- (I) Any person who is employed by the Company or its subsidiaries and their spouses, parents, children, and principal social relations;
- (II) A natural person shareholder who directly or indirectly holds one percent (1%) or more of the Company's issued shares, or is among the Company's top ten shareholders, as well as their spouses, parents, and children;
- (III) Any person (and their spouse, parents, and children) who holds positions at a shareholder that directly or indirectly holds five percent (5%) or more of the Company's issued shares, or at a shareholder that is among the Company's top five shareholders;
- (IV) Any person (and their spouse, parents, and children) who is in the employment of an affiliate of the controlling shareholder or the actual controller of the Company;
- (V) Any person who has significant business dealings with the Company or its controlling shareholder or actual controller or their respective affiliates, or any person who is in the employment of such units or their controlling shareholders or actual controllers;
- (VI) Any person who provides financial, legal, consulting, sponsorship or other services to the Company or its controlling shareholder or actual controller or their respective affiliates, including, but not limited to, all members of the project team, review personnel at all levels, persons signing reports, partners, directors, senior management and principal persons of service-providing intermediaries;
- (VII) Any person who has had any of the circumstances listed in items (I) to (VI) within the last twelve months;
- (VIII) Any other person who lacks independence as prescribed by laws, administrative regulations, CSRC rules, the regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association.

Each independent non-executive director shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually assess the independence of the incumbent independent non-executive directors, issue a special opinion, and disclose it simultaneously with the annual report.

An independent non-executive director shall exercise the following special powers:

- (I) to engage intermediaries independently to audit, consult, or investigate specific matters of the Company;
- (II) to propose to the Board of Directors to convene an extraordinary shareholders' meeting;
- (III) to propose to convene a Board meeting;

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- (IV) to publicly solicit shareholders' rights in accordance with the law;
- (V) to issue independent opinions on matters that may damage the interests of the Company or minority shareholders;
- (VI) to exercise other powers as prescribed by laws, administrative regulations, CSRC rules, the regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association.

Independent non-executive directors exercising the powers listed in items (I) to (III) of the preceding paragraph shall obtain the approval of more than half of all independent non-executive directors.

When independent non-executive directors exercise the powers listed in item (I), the Company shall disclose such information in a timely manner in accordance with the laws, administrative regulations, and regulatory rules of the place where the Company's shares are [REDACTED]. If the powers mentioned above cannot be exercised normally, the Company shall disclose the specific circumstances and reasons in accordance with the laws, administrative regulations, and regulatory rules of the place where the Company's shares are [REDACTED].

The following matters shall be submitted to the Board of Directors for deliberation after obtaining the approval of more than half of all independent non-executive directors:

- (I) Related party transactions that are required to be disclosed;
- (II) Proposals for changes or exemptions to commitments by the Company and related parties;
- (III) Decisions and measures taken by the board of directors of the acquired listed company in response to the acquisition;
- (IV) Other matters prescribed by laws, administrative regulations, CSRC rules, the regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

Special Committees under the Board

The Board of Directors of the Company sets up an Audit Committee to exercise the powers of the Board of Supervisors as prescribed by the Company Law.

The Audit Committee consists of three members who are directors and do not hold any senior management positions in the Company, all of whom are non-executive directors or independent non-executive directors. Two of the members are independent non-executive directors, and the convener of the Audit Committee is an accounting professional from among the independent non-executive directors.

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The meetings of the Audit Committee are divided into regular meetings and extraordinary meetings. The regular meetings of the Audit Committee are held at least twice a year, once every six months, and should be held prior to the regular meetings of the Board of Directors to discuss opinions and suggestions to be submitted to the Board. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee can only be held if more than two-thirds of its members are present.

Resolutions of the Audit Committee shall be passed by the majority approval of its members.

Voting on Audit Committee resolutions shall be conducted on a one-person-one-vote basis.

The Board of Directors shall establish a Nomination Committee and a Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the authority delegated by the Board. Resolutions of the special committees shall be submitted to the Board for review and decision. The detailed rules of procedure for the special committees shall be formulated by the Board. The independent non-executive directors shall constitute the majority of the Nomination Committee and the Remuneration Committee and shall serve as the conveners of such committees.

The Nomination Committee is responsible for formulating the selection criteria and procedures for directors and senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the Board of Directors on the following matters:

- (I) nomination or removal of directors;
- (II) appointment or dismissal of senior management;
- (III) other matters prescribed by laws, administrative regulations, CSRC rules, the regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

Where the Board does not adopt or does not fully adopt the recommendation of the Nomination Committee, the reasons for not adopting the recommendation and the opinion of the Nomination Committee shall be recorded in the Board resolution.

The Remuneration Committee is responsible for formulating the performance standards for the directors and senior management and conducting performance evaluations. It is also responsible for formulating and reviewing remuneration policies and schemes, including the decision-making mechanisms, procedures, payment and claw-back arrangements for directors and senior management, and making recommendations to the Board on the following matters:

- (I) remuneration of directors and senior management;
- (II) formulation or amendment of equity incentive plans and employee shareholding plans, and the achievement of the conditions under which incentive recipients are granted or may exercise their rights;

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- (III) shareholding plans for directors and senior management in a proposed spin-off subsidiary;
- (IV) any other matters prescribed by laws, administrative regulations, CSRC rules, the regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association.

Where the Board does not adopt or does not fully adopt the recommendations of the Remuneration Committee, the Board resolution should record the views of the Remuneration Committee and the specific reasons for non-adoption.

Senior Management

General Manager

The Company shall appoint one general manager, who shall be appointed or removed by the Board of Directors and shall exercise the following powers:

- (I) overseeing the production and business operations of the Company, implementing resolutions of the Board of Directors, and reporting to the Board on such work;
- (II) implementing the Company's annual business plan and investment schemes;
- (III) drafting the scheme for setting up internal management bodies of the Company;
- (IV) drafting the fundamental management systems of the Company;
- (V) formulating specific regulations of the Company;
- (VI) proposing to the Board on the appointment or dismissal of other senior management personnel of the Company;
- (VII) deciding on the appointment or dismissal of management personnel other than those to be appointed or dismissed by the Board;
- (VIII) drafting the remuneration, welfare, and reward and punishment policies for the Company's employees, and deciding on the appointment and dismissal of the employees;
- (IX) deliberating on and approving the purchase, disposal, and investment of fixed assets within the authorization scope of the Board;
- (X) transactions that do not reach the standards required by the Articles of Association to be deliberated and approved by the shareholders' meeting or the Board;
- (XI) other powers conferred by the Articles of Association or the Board of Directors.

The general manager who does not concurrently serve as a director shall attend Board meetings as an observer.

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Secretary to the Board

The Company shall appoint a secretary to the Board, who shall be responsible for the preparation of the shareholders' meetings and Board meetings, custody of documents, and management of shareholders' records, as well as handling matters related to disclosure of information, etc.

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

Financial and Accounting System, Profit Distribution and Audit

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions of the relevant state authorities. Where the securities regulatory authorities of the place where the Company's shares are [REDACTED] provide otherwise, such provisions shall prevail.

The Company shall prepare its annual financial and accounting report within four months from the end of each fiscal year, and its interim financial and accounting report within two months from the end of the first six months of each fiscal year.

Apart from the statutory accounting books, the Company shall not establish any other accounting books. The Company's funds shall not be deposited in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of such profits to the Company's statutory reserve fund. When the accumulated amount of the statutory reserve fund reaches more than 50% of the Company's registered capital, no further allocation is required.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of such profits to the Company's statutory reserve fund. When the accumulated amount of the statutory reserve fund reaches more than 50% of the Company's registered capital, no further allocation is required.

Where the statutory reserve fund of the Company is insufficient to make up losses incurred in previous years, the current year's profits shall first be used to make up such losses before any allocation to the statutory reserve fund in accordance with the preceding paragraph.

After allocating to the statutory reserve fund from after-tax profits, the Company may, upon resolution of the shareholders' meeting, further allocate discretionary reserve funds from after-tax profits.

The remaining after-tax profits after making up losses and allocating to reserve funds shall be distributed in proportion to the shares held by the shareholders, unless otherwise provided in the Articles of Association.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company. If losses are caused to the Company, the shareholders concerned and the directors and senior management members responsible shall bear liability for compensation.

After the shareholders' meeting has adopted a resolution on the profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within two months after the convening of the shareholders' meeting.

The Company shall implement an active profit distribution policy. Based on the principle of equal dividends for equal shares, at the end of each fiscal year the Board of Directors shall formulate a profit distribution plan and a loss recovery plan in light of the Company's operating results for the year and future production and operation plans, which shall be implemented upon approval by the shareholders' meeting.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, duties and authorities, staffing arrangements, funding guarantees, application of audit results and accountability mechanisms for internal audit work. An Audit Department shall be established and staffed with full-time audit personnel to conduct internal audit supervision over the Company's financial revenues and expenditures and economic activities.

The Company's internal audit system shall be implemented upon approval by the Board of Directors, and a notice thereof shall be publicly disclosed.

The internal audit institution shall be accountable to the Board of Directors.

Engagement of an Accounting Firm

The Company shall engage an accounting firm that complies with the requirements of laws, regulations and the securities regulatory rules of the place where the Company's shares are [REDACTED] to conduct audits of the Company's financial statements, verification of net assets and other related consulting services. The term of engagement shall be one year and may be renewed.

The engagement or dismissal of an accounting firm by the Company must be decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm before such decision is made by the shareholders' meeting.

The Company shall guarantee that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse to provide, conceal or make false reports.

The audit fees of the accounting firm shall be determined by the shareholders' meeting.

Where the Company dismisses or decides not to renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be permitted to present its opinions.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify creditors within 10 days from the date on which the shareholders' meeting adopts the resolution on the reduction of registered capital and shall make a public announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from receipt of the notice or, if no notice is received, within 45 days from the date of the public announcement, request the Company to repay debts or provide corresponding guarantees. Where the securities regulatory rules of the place where the Company's shares are [REDACTED] provide otherwise, such provisions shall prevail.

The Company may reduce the amount of capital contribution or shares without following the proportion of capital contributions or shareholdings of the shareholders.

Where the Company reduces its registered capital, the capital contributions or shares shall be reduced in accordance with the capital reduction plan adopted by the shareholders' meeting, unless otherwise provided by law or the Articles of Association.

Where a merger or division of the Company involves changes in registration items, the Company shall apply for registration of such changes with the company registration authority in accordance with the law; where the Company is dissolved, it shall apply for deregistration of the Company in accordance with the law; where a new company is established, registration for establishment shall be completed in accordance with the law.

Where the Company increases or reduces its registered capital, it shall apply for registration of such changes with the company registration authority in accordance with the law.

Dissolution and Liquidation of the Company

The Company shall be dissolved for any of the following reasons:

- (I) the expiration of the term of operation specified in the Articles of Association or the occurrence of other causes of dissolution specified herein;
- (II) a resolution of the shareholders' meeting to dissolve the Company;
- (III) dissolution required due to a merger or division of the Company;
- (IV) revocation of the Company's business licence, an order for closure, or cancellation in accordance with the law;
- (V) where the Company encounters serious difficulties in operation and management and its continued existence would cause significant losses to shareholders' interests, and such situation cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

Where the Company is dissolved pursuant to items (I), (II), (IV) or (V) above, liquidation shall be carried out. The directors shall act as the persons responsible for liquidation and shall form a liquidation committee within 15 days from the date of occurrence of the cause of dissolution to conduct liquidation. The liquidation committee shall consist of directors, unless otherwise provided in the Articles of Association or other persons are appointed by resolution of the shareholders' meeting.

Where members of the liquidation committee fail to perform their liquidation duties in a timely manner and cause losses to the Company, they shall be liable for compensation; where losses are caused to creditors due to intentional misconduct or gross negligence, they shall also be liable for compensation.

Amendment of the Articles of Association

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

- (I) where, after amendments to the Company Law, relevant laws, administrative regulations or the Listing Rules, the matters stipulated in the Articles of Association are inconsistent with the provisions of such amended laws, administrative regulations, or the Listing Rules;
- (II) where the circumstances of the Company have changed and are inconsistent with the matters recorded in the Articles of Association;
- (III) where the shareholders' meeting resolves to amend the Articles of Association.

Where amendments to the Articles of Association adopted by resolution of the shareholders' meeting are subject to approval by the competent authority, such amendments shall be submitted to the competent authority for approval. Where the amendments involve matters requiring company registration, the relevant change registration shall be handled in accordance with the law.