
APPENDIX V

SUMMARY OF 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 entity or individual.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

Base on the operation and development needs of the Company, and in accordance with the laws, regulations and securities regulatory rules of the place where the Company’s shares are listed, the Company may increase the capital by the following ways upon the resolutions at the Shareholders’ general meeting:

- (i) Public issuance of shares;
- (ii) Non-public issuance of shares;
- (ii) Distribution of bonus shares to existing shareholders;
- (iv) Conversion of the reserve funds into share capital;
- (v) Other methods prescribed by laws, administrative regulations, the securities regulatory authority of the jurisdiction where the company’s shares are listed, and the securities exchange.

The Company may decrease its registered capital and shall comply with the procedures stipulated in the PRC Company Law (the “**Company Law**”), regulations and securities regulatory rules of the place where the Company’s shares are listed, other regulations and the Articles of Association.

Repurchase of Shares

The Company may acquire its own shares in the following circumstances, in accordance with the provisions of laws, administrative regulations, departmental rules, and these Articles of Association:

- (i) Reducing the Company’s registered capital;
- (ii) Merging with other companies which hold the Company’s shares;
- (iii) Using the shares for an employee stock ownership plan or equity incentive;
- (iv) Purchasing by the Company of its shares at the request of the Shareholders voting against the resolutions on the merger or division of the Company at a Shareholders’ general meeting;
- (v) Using of shares for conversion of convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the shareholders.

Subject to compliance with the applicable securities regulatory rules of the jurisdiction where the Company’s shares are listed, share repurchases made under the circumstances specified in items (iii), (v) or (vi) above shall be made through public centralized trading.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

A resolution shall be passed at the Shareholders’ general meeting for the Company to repurchase its own shares under the circumstances specified in items (i) and (ii) above. In case of a purchase under the circumstances specified in items (iii), (v) and (vi) above, such resolutions shall be adopted by a board of directors meeting at which more than two-thirds of the directors are present, in accordance with the provisions of these Articles of Association or the authorization of the shareholders’ meeting, and subject to compliance with the applicable securities regulatory rules of the jurisdiction where the Company’s shares are listed. Where the Company acquires its own shares, it shall fulfill its disclosure obligations in accordance with the PRC Securities Law and the applicable securities regulatory rules of the jurisdiction where the Company’s shares are listed.

After the Company has purchased its own shares in accordance with the above provisions, the shares so purchased shall be canceled within ten days from the date of purchase (under the circumstance specified in item (i) above), or shall be transferred or canceled within six months (under the circumstances specified in item (ii) and (iv) above). If the Company purchases its shares under the circumstances specified in items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, and such shares shall be transferred or canceled within three years.

Transfer of Shares

The Company’s shares shall be transferred in accordance with law.

The Directors and senior managers of the Company shall report to the Company the number of the Company’s shares they hold and the changes thereof. The Company’s shares transferable by them each year during their terms of office confirmed at the time of taking office shall not exceed 25% of the number of shares held by them. The Company’s shares held by them shall not be transferred within one year from the date of listing and trading of the Company’s shares. They shall not transfer the Company’s shares held by them within half a year after leaving the Company.

Where the listing rules of the place where the Company’s shares are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

Any gains obtained by any Shareholder, Director or senior manager of the Company holding more than 5% of Company’s shares from the sale of Company’s shares or other equity securities within six months of purchase of them, or from the purchase of them again within six months of sale, shall belong to the Company, and the Board of Directors of the Company shall be responsible for recovering such gains. However, this exclusion does not apply to securities firms that hold more than 5% of the Company’s shares as a result of acquiring shares remaining after a block sale, or to other circumstances specified by the China Securities Regulatory Commission or the supervisory regulations of the jurisdiction where the Company’s shares are listed. Furthermore, the aforementioned shareholders holding more than 5% of the Company’s shares do not include recognized clearing houses and their agents as defined by the relevant regulations in force from time to time under Hong Kong law.

Shares or other equity securities held by Directors, senior managers and individual shareholders as mentioned in the preceding paragraph include shares or other equity securities held by their spouses, parents or children, or held by using other people’s accounts.

If the Board of Directors of the Company fails to implement the provisions above, the Shareholders are entitled to request the Board of Directors to so implement it 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 above, the responsible Directors shall bear joint and several liability in accordance with law.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

SHAREHOLDERS AND SHAREHOLDERS’ GENERAL MEETING

Shareholders

The Company shall establish a register of shareholders based on evidentiary documents provided by the securities registration agency. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations. For the purposes of this Article, the Company’s A-shares and H-shares shall be deemed to be shares of the same class. The original register of H-share shareholders listed in Hong Kong shall be kept in Hong Kong for inspection by shareholders; however, the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed. Any shareholder registered in the H-share register, or any person requesting to have their name (or corporate name) registered in the H-share register, may apply to the Company for the issuance of a replacement share certificate in the event of the loss of their share certificate. In the event of the loss of an H-share certificate, an application for a replacement may be processed in accordance with the laws of the jurisdiction where the original H-share register is kept, the rules of the securities exchange, or other relevant provisions.

The rights of our Shareholders are as follows:

- (i) To receive distributions of dividends and other forms of benefits according to the number of shares held;
- (ii) To request, convene, preside over, participate in or appoint proxies to attend the Shareholders’ General Meeting in accordance with law and exercise corresponding voting rights;
- (iii) To supervise operational activities of the Company, provide suggestions or make queries;
- (iv) To transfer, donate and pledge the Company’s shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To review and copy the Articles of Association, the register of the Shareholders, minutes of the Shareholders’ General Meetings, resolutions of meetings of the Board of Directors and financial and accounting reports. Eligible shareholders may inspect the company’s accounting books and accounting documents;
- (vi) To participate in the distribution of the remaining assets of the Company in proportion to the shares they hold upon termination or liquidation of the Company;
- (vii) Subject to compliance with the procedural requirements for share repurchases set forth in these Articles of Association and applicable laws and regulations, to request the Company to purchase the shares held by the Shareholders voting against any resolutions adopted at the Shareholders’ General Meeting concerning the merger and division of the Company;
- (viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where our Company’s shares are listed, or the Articles of Association.

Shareholders who request to review or copy relevant company materials must comply with the provisions of laws and administrative regulations such as the PRC Company Law and the PRC Securities Law.

In the event that any resolution of the Shareholders’ general meeting or resolution of the Board of Directors violates laws, administrative regulations or regulations and securities regulatory rules of the place where the Company’s shares are listed, a Shareholder is entitled to request the People’s Court to declare it invalid. In the event that the convening procedure or voting method of the Shareholders’ general meeting or the Board meeting violates any of laws, administrative regulations, the Articles of Association or regulations and securities regulatory rules of the place where the Company’s shares are listed, or the content of any resolution violates the Articles of Association, a

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

Shareholder is entitled to request the People's Court to revoke the resolution within 60 days from the resolution being adopted, except in cases where there are only minor defects in the procedure for convening the meeting or the voting method used in the meeting, and such defects have no material impact on the resolution.

The obligations of Shareholders are as follows:

- (i) To abide by laws, administrative regulations, and the Articles of Association;
- (ii) To pay share capital according to the Shares subscribed for and the methods of payment;
- (iii) Not to return Shares unless otherwise prescribed in laws and administrative regulations;
- (iv) Not abuse their rights to the detriment of the company or other shareholders; nor shall they abuse the company's legal personality and the limited liability of shareholders to the detriment of the company's creditors;
- (v) To perform other duties prescribed in laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed and the Articles of Association.

If directors or senior management members other than members of the Audit Committee violate laws, administrative regulations, the provisions of the securities regulatory authority where the Company's shares are listed, or the provisions of these Articles of Association while performing their duties for the Company, thereby causing losses to the Company, any shareholder who has held, individually or in aggregate, 1% or more of the Company's shares for a continuous period of 180 days or more shall have the right to request in writing that the Audit Committee file a lawsuit with the People's Court; If a member of the Audit Committee, in the performance of his or her duties, violates laws, administrative regulations, the provisions of the securities regulatory authority where the Company's shares are listed, or the provisions of these Articles of Association, thereby causing losses to the Company, the aforementioned shareholders may request in writing that the Board of Directors file a lawsuit with the People's Court.

If the Audit Committee or the Board of Directors refuses to file a lawsuit upon receiving a written request from a shareholder as provided in the preceding paragraph, or fails to file a lawsuit within 30 days of receiving such a request, or if the situation is urgent and failure to file a lawsuit immediately would cause irreparable harm to the Company's interests, the shareholder referred to in the preceding paragraph shall have the right to file a lawsuit directly with the People's Court in his or her own name for the benefit of the Company.

In the event of any other person infringing upon the legitimate rights and interests of the Company thereby causing losses to the Company, the Shareholder(s) specified in the first paragraph of this article may file an action with the court pursuant to the provisions of the preceding two paragraphs.

In the event of any Director or senior manager violating laws, administrative regulations or the Articles of Association, thereby damaging the interests of the Shareholder(s), the Shareholder(s) may file an action with the court.

The controlling shareholder and actual controller of the company shall exercise their rights and fulfill their obligations in accordance with the provisions of laws, administrative regulations, and the securities regulatory rules of the jurisdiction where the company's shares are listed, and shall safeguard the interests of the listed company.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

General Provisions for the Shareholders’ General Meeting

The company’s Shareholders’ General Meeting consists of all shareholders. The Shareholders’ General Meeting is the organ of authority of the Company and exercises its powers in accordance with the laws:

- (i) To elect or remove Directors (who are not employee representatives) and 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 profit distribution plans and loss recovery plans;
- (iv) To resolve on the increase or decrease of the company’s registered capital and the issuance of any class of shares, warrants, and other similar securities;
- (v) To decide on the issue of corporate bonds by the Company;
- (vi) To decide on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) To decide on the appointment and dismissal of the accounting firm of the Company;
- (ix) To examine and approve the guarantee matters stipulated in Article 47 of the Articles of Association;
- (x) To examine the matters relating to the purchases and sales of the Company’ material assets within one year, which exceed 30% of the Company’s latest audited total assets;
- (xi) To examine and approve the matters relating to changes in the use of proceeds of fund raisings;
- (xii) To examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) Spin off a subsidiary for an independent IPO;
- (xiv) Directors and senior management entering into material contracts or engaging in material transactions with the company, either directly or indirectly; conducting business similar to that of the company on their own behalf or on behalf of others; or using their positions to secure business opportunities belonging to the company for themselves or others;
- (xv) Transactions entered into by the company that meet any of the following criteria (excluding the provision of guarantees or financial assistance):
 - 1. The total value of assets involved in the transaction accounts for more than 50% of the Company’s total audited assets as of the most recent reporting period; where both a book value and an appraised value exist for the total value of assets involved in the transaction, the higher of the two shall be used for calculation purposes;
 - 2. The revenue attributable to the transaction subject (e.g., equity) in the most recent fiscal year accounts for more than 50% of the Company’s audited revenue for the most recent fiscal year, and the absolute amount exceeds RMB50 million;
 - 3. The net profit attributable to the transaction subject (e.g., equity) in the most recent fiscal year accounts for more than 50% of the Company’s audited net profit for the most recent fiscal year, and the absolute amount exceeds RMB5 million;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

4. The transaction consideration (including assumed liabilities and expenses) accounts for more than 50% of the Company’s most recent audited net assets, and the absolute amount exceeds RMB50 million;
5. The profit generated by the transaction accounts for more than 50% of the Company’s audited net profit for the most recent fiscal year, and the absolute amount exceeds RMB5 million.

If any data used in the calculation of the above indicators is negative, the absolute value shall be used for the calculation.

The transactions referred to above are:

1. The purchase or sale of assets;
2. External investments (including entrusted asset management and investments in subsidiaries, excluding the establishment of or capital increases for wholly-owned subsidiaries);
3. The leasing of assets or the leasing of assets to third parties;
4. The execution of management contracts (including entrusted management and management under commission);
5. The donation of or receipt of assets as gifts;
6. The restructuring of claims or liabilities;
7. The transfer of research and development projects;
8. Entering into licensing agreements;
9. Waiving rights (including waiving preemptive purchase rights, preemptive subscription rights, etc.).

The following activities do not fall under the matters specified in the preceding paragraph:

1. Purchasing raw materials, fuel, and power related to daily operations;
2. Selling products, goods, and other assets related to daily operations.

Transactions from which the Company unilaterally derives benefits, including the receipt of cash donations and debt forgiveness, may be exempted from the shareholder meeting review process.

- (xvi) Related-party transactions between the Company and its related parties with a transaction amount of RMB30 million or more, and representing 5% or more of the absolute value of the Company’s most recent audited net assets;
- (xvii) Financing from Specific Parties: The Board of Directors is authorized to decide on the issuance of shares to specific parties for financing purposes, provided that the total amount does not exceed RMB300 million and does not exceed 20% of the net assets as of the end of the most recent fiscal year. The Company must authorize the Board of Directors to review the financing limit at the Annual General Meeting (the term “Annual General Meeting” in these Articles of Association has the same meaning as “Annual General Meeting of Shareholders” in the Hong Kong Stock Exchange Listing Rules); such authorization shall expire on the date of the next Annual General Meeting;
- (xviii) The shareholders’ meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds;

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

- (xix) To consider other matters required by laws, administrative regulations, departmental rules, the Hong Kong Stock Exchange Listing Rules (including but not limited to Chapters 14 and 14A), securities regulatory rules of the jurisdiction where the Company’s shares are listed, or these Articles of Association to be decided by the shareholders’ meeting.

For transactions of the same type involving the subject matter of a transaction conducted by the company within a 12-month period, the provisions of the preceding paragraph shall apply on a cumulative basis. Transactions for which the relevant obligations have already been fulfilled in accordance with the preceding paragraph shall no longer be included in the scope of such cumulative calculation.

Convening of the Shareholders’ General Meeting

The board of directors shall convene a shareholders’ meeting within the prescribed time limit.

With the consent of a majority of all independent directors (the term “independent director” in these Articles of Association has the same meaning as “independent non-executive director” in the Hong Kong Stock Exchange Listing Rules), the independent directors have the right to propose to the Board of Directors the convening of an extraordinary general meeting. Upon receiving a proposal from an independent director to convene an extraordinary general meeting, the Board of Directors shall, in accordance with laws, administrative regulations, and these Articles of Association, provide written feedback within 10 days of receipt of the proposal, stating whether it agrees or disagrees to convene the extraordinary general meeting.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of the meeting within 5 days of making the Board resolution; if the Board of Directors disagrees to convene the extraordinary general meeting, it shall state the reasons and make an announcement.

When the Audit Committee proposes to the Board of Directors that an extraordinary general meeting of shareholders be convened, it shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and these Articles of Association, provide written feedback on whether it agrees or disagrees with convening the extraordinary general meeting of shareholders within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting of shareholders, it shall issue a notice of the meeting within 5 days of adopting 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 refuses to convene an extraordinary general meeting of shareholders, or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or refuses to fulfill its duty to convene the meeting, and the Audit Committee may convene and preside over the meeting on its own initiative.

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 general meeting of shareholders, and such request must be submitted to the Board in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and these Articles of Association, provide written feedback on whether to approve or reject the request to convene an extraordinary general meeting of shareholders within 10 days of receiving the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within 5 days after the Board resolution is adopted; any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

If the Board of Directors refuses to convene an extraordinary general meeting, or fails to provide a response within 10 days of receiving the request, shareholders holding, individually or collectively, 10% or more of the Company's shares have the right to propose the convening of an extraordinary general meeting to the Audit Committee and shall submit such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the meeting within 5 days of receiving the request; any changes to the original proposal in the notice shall require the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit Committee has declined to convene and preside over the general meeting; shareholders who, individually or collectively, hold 10% or more of the company's shares for a continuous period of 90 days or more may convene and preside over the meeting themselves.

The Company shall bear the necessary expenses for any shareholders' meeting convened by the Audit Committee or by the shareholders themselves.

Proposal and Notice of the Shareholders' General Meeting

When the Company holds a shareholders' general meeting, the Board of Directors, the Audit Committee and Shareholders individually or collectively holding no less than 1% of shares of the Company may propose to the Company. Shareholders individually or collectively holding no less than 1% of the shares of the Company may submit temporary proposals in writing to the convener ten days before the holding of the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within two days of receipt of the temporary proposal announcing the details of such proposal and submit this provisional proposal to the shareholders' meeting for consideration. However, temporary proposals that violate laws, administrative regulations, or the Company's Articles of Association, or that do not fall within the scope of authority of the shareholders' general meeting, shall be excluded. If, pursuant to the securities regulatory rules of the jurisdiction where the company's shares are listed, a shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of those rules.

Except as provided in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the shareholders' general meeting or add new proposals after issue of such notice.

The shareholders' general meeting shall not vote and make a resolution on any proposal not specified in the notice of the shareholders' general meeting or not in conformity with the above provisions.

The convener shall notify all shareholders 21 days before the holding of an annual general meeting in a manner approved by the securities regulatory authority of the jurisdiction where the company's shares are listed and 15 days before the holding of an extraordinary general meeting in a manner approved by the securities regulatory authority of the jurisdiction where the company's shares are listed. When calculating the starting date, the company shall not include the day on which the meeting is held. Where laws, regulations, or the securities regulatory authority of the jurisdiction where the company's shares are listed provide otherwise, such provisions shall prevail.

The notice of a shareholders' general meeting shall include the following details:

- (i) The time, location, format, and duration of the meeting;
- (ii) Matters and proposals submitted for discussion at the meeting;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (iii) A clear statement that all Shareholders are entitled to attend the shareholders’ general meeting and may appoint a proxy in writing to attend and vote at the meeting and the proxy is not required to be a Shareholder;
- (iv) The share registration date of the Shareholders who are entitled to attend the general meeting;
- (v) The name and telephone number of the permanent contact person for the meeting;
- (vi) The time and procedure of voting online or by any other means; and
- (vii) Laws, administrative regulations, departmental rules, securities regulatory rules of the stock exchange where the company’s shares are listed, and other requirements set forth in these Articles of Association.

The notice of the General Meeting and the supplementary notice shall fully and completely disclose all the specific contents of all proposals.

The commencement time for voting online or by any other means at the Shareholders’ General Meetings shall be no earlier than 3:00 PM on the day prior to the on-site general meeting and no later than 9:30 AM on the day of the on-site general meeting, and the ending time shall be no earlier than 3:00 PM on the day of the on-site general meeting.

The interval between the share registration date and the day of meeting shall be no more than seven working days. The share registration date shall not be changed once confirmed.

Proxy for the Shareholders’ General Meeting

A Shareholder may attend the Shareholders’ General Meeting in person or appoint a proxy to attend, speak, and vote on their behalf.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid identification documents or proof of identity. Proxies attending the meeting shall present their personal identity cards and the proxy statements from the Shareholder.

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 their identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards and the written proxy statement legally issued by the legal representative of the corporate Shareholder.

If a shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinances or regulations from time to time enacted by the Hong Kong Special Administrative Region, such shareholder may authorize its corporate representative or one or more persons it deems appropriate to act as its proxy at any meeting (including, but not limited to, general meetings of shareholders and meetings of creditors); However, if more than one person is authorized, the power of attorney shall specify the number and class of shares to which each such person is authorized in respect of, and shall be signed by an authorized officer of the recognized clearing house. A person so authorized may attend the meeting on behalf of the recognized clearing house (or its agent) (without being required to present share certificates, a notarized power of attorney, and/or further evidence of such authorization), speak at the meeting, and exercise rights as if such person were an individual shareholder of the company.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

Voting and Resolutions at the Shareholders’ General Meeting

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

The following matters shall be passed by an ordinary resolution of the Shareholders’ General Meeting:

- (i) Work reports of the Board of Directors;
- (ii) Profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (iii) Appointment and removal of members of the Board of Directors, their remuneration, and methods of payment; and
- (iv) Any other matter other than those to be decided by special resolutions as required by laws, administrative regulations, securities regulatory rules of the place where the Company is listed, or the Articles of Association.

The following matters shall be passed by a special resolution of the Shareholders’ General Meetings:

- (i) Any increase or reduction in the registered capital of the Company and issue any class of stock, warrants, or other similar securities;
- (ii) Any merger, division, spin-off, dissolution, and liquidation (including voluntary liquidation) of the Company;
- (iii) Any amendment to the Company’s Articles of Association;
- (iv) Any purchase or sale of major assets or any provision of guarantee within any one year in an amount in excess of 30% of the Company’s latest audited total assets;
- (v) Any equity incentive scheme or employee stock ownership plan;
- (vi) Issuing shares, convertible corporate bonds, preferred stock, and other types of securities approved by the China Securities Regulatory Commission;
- (vii) Adjust or amend the profit distribution policy;
- (viii) Repurchase of shares for cancellation;
- (ix) The company’s shareholders’ general meeting resolved to voluntarily delist its shares from the Shenzhen Stock Exchange and decided either to cease trading on the exchange or to apply for trading or transfer on other trading venues;
- (x) Major Asset Restructuring;
- (xi) Company Spins Off Subsidiary for Independent Listing;
- (xii) Matters determined by the shareholders’ general meeting through an ordinary resolution to have a material impact on the company and requiring adoption by a special resolution;
- (xiii) Other matters required by the laws, administrative regulations, departmental rules, normative documents, and securities regulatory rules of the jurisdiction where the Company’s shares are listed.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

In addition to requiring approval by a majority of at least two-thirds of the voting rights held by shareholders present at the shareholders’ meeting, the proposals referred to in subparagraphs (v), (viii), and (xi) of the preceding paragraph must also be approved by a majority of at least two-thirds of the voting rights held by shareholders present at the meeting, excluding the Company’s directors, senior management, and shareholders who individually or collectively hold 5% or more of the Company’s shares.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote, except for holders of class shares.

Where material issues affecting the interests of minority Shareholders are considered at the Shareholders’ General Meeting, the votes of the minority Shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of the Shareholders present at the Shareholders’ General Meeting.

If a Shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the PRC Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders’ General Meeting for thirty-six months after the purchase.

In accordance with the laws and regulations applicable to the Company and the Listing Rules of the Hong Kong Stock Exchange, if any Shareholder is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

The company’s board of directors, independent directors, shareholders holding 1% or more of the voting shares, or investor protection organizations established in accordance with laws, administrative regulations, or the provisions of the securities regulatory authority where the company’s shares are listed may act as solicitors. They may, either on their own behalf or by entrusting a securities company or securities service provider, publicly solicit shareholders to authorize them to attend the shareholders’ meeting on their behalf and exercise shareholder rights such as the right to propose resolutions and the right to vote; however, they may not publicly solicit shareholder rights in exchange for compensation or in any disguised form of compensation.

DIRECTORS AND BOARD OF DIRECTORS

Directors

The company’s board of directors consists of executive directors, non-executive directors, and independent directors. Directors serve a three-year term. Upon the expiration of their term, and provided that there is no violation of the Hong Kong Stock Exchange Listing Rules, they may be re-elected in accordance with the securities regulatory rules of the jurisdiction where the Company’s shares are listed. Directors may also serve as senior executives; however, the total number of directors who also serve as senior executives and directors who are employee representatives shall not exceed one-half of the total number of directors of the company.

Directors shall comply with laws, administrative regulations, and the provisions of these Articles of Association; they shall owe a duty of loyalty to the Company; they shall take measures to avoid conflicts of interest between their own interests and those of the Company; and they shall not use their authority to seek improper benefits.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

Directors shall comply with laws, administrative regulations, and the provisions of these Articles of Association, and shall owe a duty of care to the Company. In performing their duties, they shall exercise the reasonable care typically expected of a manager in the best interests of the Company.

Directors owe the following duties of care to the Company:

- (i) Directors shall be prudent, serious and diligent in exercising the authority conferred by the Company to ensure that the business activities of the Company comply with the country's laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;
- (ii) Directors shall treat all shareholders equally;
- (iii) Directors shall keep abreast of the Company's business operations and management status;
- (iv) Directors shall sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;
- (v) Directors shall provide accurate information and materials to the Audit Committee, and shall not interfere with the performance of duties by the Audit Committee; and
- (vi) Directors shall have other diligence duties prescribed by laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

When a Director's resignation takes effect or his/her term of office expires, he/she must complete all handover procedures with the Board of Directors. His/her duties of loyalty to the Company and the Shareholders do not automatically terminate at the end of his/her term of office. The obligation to maintain the confidentiality of the company's trade secrets remains in effect after the director's term of office ends, until such secrets become public information. The duration of other obligations shall be no less than two years. A director's liability arising from the performance of duties during his or her term of office shall not be waived or terminated upon resignation.

Unless stipulated in the Articles of Association or legally authorized by the Board of Directors, no Director may act on behalf of the Company or the Board of Directors in his/her own name. Where a Director acts in his/her own name while a third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors, the Director shall state his/her position and status in advance.

Board of Directors

The Board of Directors consists of 10 members. The Board of Directors includes four independent directors and one director who is an employee representative.

The Board of Directors shall exercise the following authorities:

- (i) To convene the Shareholders' General Meetings and report to them;
- (ii) To carry out resolutions adopted by the Shareholders' General Meetings;
- (iii) To determine the Company's business plans and investment programs;
- (iv) To formulate the Company's profit distribution plans and loss recovery plans;
- (v) To formulate the Company's plans for increasing or reducing the registered capital of the Company, issuing bonds or other securities and going public;

APPENDIX V**SUMMARY OF ARTICLES OF ASSOCIATION**

- (vi) To formulate the Company’s plans with respect to significant takeovers, purchase of the Company’s shares, mergers, divisions, dissolution, or change of the form of the Company;
- (vii) Resolve that the Company shall repurchase its own shares under the circumstances specified in Article 24, paragraphs (3), (5), and (6) of these Articles of Association;
- (viii) To decide on matters such as the Company’s external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, related-party transactions, and external donations in accordance with the securities regulatory rules of the jurisdiction where the Company’s shares are listed, these Articles of Incorporation, or within the scope of authorization granted by the shareholders’ meeting;
- (ix) To determine the establishment of the Company’s internal management bodies;
- (x) To decide on such matters as appointment or removal of the Company’s president, secretary to the Board of Directors, as well as their remuneration and reward/punishment; and to decide on appointment or removal of the Company’s deputy presidents, finance manager and other senior officers as nominated by the president and on their remuneration and reward/punishment;
- (xi) To formulate the Company’s basic management system;
- (xii) To make plans to amend the Articles of Association;
- (xiii) To manage the disclosure of information by the Company;
- (xiv) To make proposals to the Shareholders’ General Meetings on the appointment or replacement of the accounting firm that provides auditing services to the Company;
- (xv) To hear the president’s work report and to inspect the president’s work;
- (xvi) To assume the ultimate responsibility for the company’s sustainable development matters, and approve formulate the sustainable development strategies, goals and policies, supervise the risk management and performance of sustainable development, and review and approve the company’s sustainable development reports and relevant disclosures;
- (xvii) To exercise any other authority conferred by any law, administrative regulation, departmental rule, securities regulatory rules of the place where the Company’s Shares are listed, the Articles of Association or the Shareholders’ General Meeting.

The specific powers and duties of the board of directors as prescribed by the Company Law shall be exercised collectively by the board of directors and may not be delegated to others.

The board of directors shall define the authority for external investments, asset acquisitions and disposals, external guarantees, entrusted asset management, and related-party transactions, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders’ meeting for approval..

Chairman

The Board of Directors shall appoint a Chairman. The Chairman shall be elected by more than one half of all Directors.

Special Committees under the Board

The Board of Directors shall establish an audit committee, a nomination committee, and a compensation and appraisal committee. These special committees shall be responsible to the Board of Directors, and perform their duties according to the Articles of Association and the authorization granted by the Board of Directors.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

Secretary to the Board

The Company shall have a Secretary to the Board of Directors who shall be responsible for preparing for meetings of the shareholders and the Board of Directors, maintaining records, managing shareholder information, and handling information disclosure matters.

President and Other Senior Management Members

The Company has one President who is appointed or dismissed by the Board of Directors. The Company shall have Vice Presidents who are appointed or dismissed by the Board of Directors. The President, Vice Presidents, the Financial Administrator, and the Secretary to the Board are the senior management personnel of the Company.

The President 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 prepare the plan for establishing the Company's internal management body;
- (iv) To develop the Company's basic management system;
- (v) To develop the Company's specific rules;
- (vi) To propose to the Board of Directors on the appointment or removal of any Vice President and the Financial Administrator;
- (vii) To decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the board of directors;
- (viii) To exercise any other duties and authorities granted by the Articles of Association or the Board of Directors.

The President may attend meetings of the Board of Directors.

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, the securities regulatory rules of the jurisdiction where the company's stock is listed and the provisions stipulated by the relevant authorities of the PRC. The Company shall adopt the Gregorian calendar year for its fiscal year, i.e., the fiscal year shall be from January 1 to December 31.

Disclosure of A-Share Periodic Reports: The Company shall submit its annual financial accounting report to the Shenzhen Securities Regulatory Bureau and the Shenzhen Stock Exchange within four months of the end of each fiscal year; submit its semi-annual financial accounting report to the Shenzhen Securities Regulatory Bureau and the Shenzhen Stock Exchange within two months of the end of the first six months of each fiscal year; and submit its quarterly financial accounting report to the Shenzhen Securities Regulatory Bureau and the Shenzhen Stock Exchange within one month of the end of the first three months and the first nine months of each fiscal year.

H-Share Periodic Report Disclosure: The Company's periodic reports for its H-shares include annual reports and interim reports. The Company shall disclose a preliminary announcement of its annual results within three months from the end of each fiscal year, and shall prepare and disclose the annual report within four months from the end of each fiscal year and at least 21 days prior to the date of the annual general meeting. The Company shall disclose a preliminary announcement of

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

interim results within two months from the end of the first six months of each fiscal year, and shall prepare and disclose the interim report within three months from the end of the first six months of each fiscal year.

The aforementioned annual financial accounting reports, annual results, interim reports, and interim results shall be prepared in accordance with relevant laws, administrative regulations, departmental rules, and the provisions of the securities regulatory authorities in the jurisdiction where the Company’s shares are listed.

The Company will not establish account books other than the statutory account books. The Company’s funds 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 allocation 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’ General Meetings, 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, balance of the profit after tax shall be distributed to Shareholders in proportion to their shareholdings.

If the shareholders’ meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the law to the company; if losses are caused thereby to the Company, the shareholders, as well as any Directors, Supervisors, and senior managers responsible for the violation, shall be liable for compensation.

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 shareholders in Hong Kong. The collection agents shall collect and keep the dividends and other payables distributed by the Company in respect of the H shares on behalf of the relevant H shareholders, pending payment to such H shareholders. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company’s shares 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.

Where the reserve of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

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.

The Company implements a proactive, consistent, and stable profit distribution policy. The Company’s profit distribution shall prioritize providing investors with a reasonable return on investment while taking into account the Company’s actual operating conditions and long-term strategic development goals. It shall not exceed the scope of cumulative distributable profits, shall not impair the Company’s ability to continue as a going concern, and shall adhere to the principle of distributing profits in accordance with the statutory order of priority.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

Internal Audit

The company has implemented an internal audit system that clearly defines the leadership structure, responsibilities and authorities, staffing, funding, utilization of audit results, and accountability for internal audit work.

The internal audit department reports to the Board of Directors. In the course of supervising and inspecting the Company’s business operations, risk management, internal controls, and financial information, the internal audit department shall accept supervision and guidance from the Audit Committee. If the internal audit department identifies any material issues or leads, it shall immediately report them directly to the Audit Committee.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the PRC Securities Law, the laws and regulations of the jurisdiction where the Company’s shares are listed, and securities regulatory rules (the term “accounting firm” in these Articles of Association has the same meaning as “auditor” in the Hong Kong Stock Exchange Listing Rules) to perform financial statement audits, net asset verification, and other related consulting services. The term of engagement shall be one year and may be renewed.

The appointment and dismissal of an accounting firm shall be decided by the Shareholders’ General Meeting; the board of directors may not appoint an accounting firm prior to such a decision by the shareholders’ general meeting.

The Company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

The audit fees (remuneration) of an accounting firm, or the method for determining such fees (remuneration), shall be decided by the Shareholders’ General Meeting.

Where the Company dismisses or does not re-engage an accounting firm, it shall notify the accounting firm ten days in advance. The accounting firm may state its views when the Shareholders’ General Meeting votes on the dismissal of the accounting firm.

Where an accounting firm resigns, it shall explain to the Shareholders’ General Meeting whether there exists any improper circumstance in the Company.

Dissolution and Liquidation

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

- (i) The expiration of the business period stipulated in the Articles of Association or the occurrence of other causes of dissolution stipulated in the Articles of Association;
- (ii) Dissolution by a resolution of the Shareholders’ General Meeting;
- (iii) Dissolution due to merger or division of the Company;
- (iv) Suspension of the business license, being ordered to close down or being revoked in accordance with the law;
- (v) Request submitted by the Shareholders holding 10% or more of the voting rights of the Company to the people’s court to dissolve the Company if the Company’s operation or management encounters serious difficulties, the Company’s continuous existence will cause significant losses to the interests of its Shareholders, and the situation cannot be solved by any other means.

APPENDIX V

SUMMARY OF ARTICLES OF ASSOCIATION

If any of the situations mentioned in the preceding paragraph arises, the Company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstance of items (i) or (ii) above and has not yet distributed the assets to the Shareholders, it may continue to exist by modifying the Articles of Association or upon a resolution of the Shareholders’ General Meeting.

To modify its Articles of Association or make a resolution of the Shareholders’ General Meeting according to the provision above, the consent of two-thirds or more of the voting rights of the Shareholders who attend the meeting of the Shareholders’ General Meeting is required.

Where the Company is dissolved according to item (i), (ii), (iv) or (v) above, it shall be liquidated. The Directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within fifteen days from the date of occurrence of the cause of dissolution.

The liquidation group shall be composed of the Directors or persons designated by the Shareholders’ General Meeting.

The liquidation group shall notify creditors within 10 days of its establishment and shall, within 60 days, publish an announcement in media that meet the requirements of the securities regulatory authority, or on the National Enterprise Credit Information Publicity System and the Hong Kong Stock Exchange’s HKExnews website (www.hkexnews.hk). The creditors shall file their proof of claim with the liquidation group within thirty days from the receipt of the notice or within forty-five days from the issuance of the public announcement in the case of failing to receive such notice.

During the period of liquidation, the Company continues to exist, but shall not carry out any business operation unrelated to the liquidation. The assets of the Company shall not be distributed to the Shareholders until it has been liquidated in accordance with the preceding paragraph.

If, after liquidating the assets of the Company and formulating a balance sheet and a schedule of assets, the liquidation group discovers that the Company’s assets are insufficient to fully cover its debts, it shall file a bankruptcy application with the people’s court.

Any Company declared bankrupt according to law shall carry out a bankruptcy liquidation in accordance with the provisions concerning bankruptcy liquidation.

Amendments to the Articles of Association

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

- (i) Where, after any amendment to the Company Law or any other applicable law, administrative regulation, or securities regulatory rules of the place where the Company’s shares are listed, the provisions of the Articles of Association conflict with the amended law, administrative regulation, and/or securities regulatory rules of the place where the Company’s shares are listed;
- (ii) Where the Company’s circumstances change to such an extent that they are inconsistent with the items recorded in the Articles of Association; and
- (iii) Where the Shareholders’ General Meeting decides to amend the Articles of Association.

Where any amendment to the Articles of Association that has been adopted under a resolution of the Shareholders’ General Meeting is subject to approval by the competent authorities, such amendment shall be submitted to the competent authorities for approval; where any amendment involves the Company’s registration items, the Company’s registration shall be amended in accordance with the law.