
APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This appendix is primarily intended to provide potential investors with an overview of the Articles of Association. As the following information is only a summary, it does not contain all information that may be material to potential investors.

SHARE OFFERING

The offering of the Company’s shares shall follow the principles of openness, fairness, and impartiality, and each share of the same class shall have equal rights. Shares of the same class offered at the same time shall be issued under the same terms and at the same price; subscribers shall pay the same price for each share they subscribe for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, and the *Hong Kong Listing Rules*, and upon resolutions of the shareholders’ meeting:

- (i) Issuing shares to unspecified subscribers;
- (ii) Issuing shares to specified subscribers;
- (iii) Distributing bonus shares to existing shareholders;
- (iv) Converting capital reserve into share capital;
- (v) Other methods approved by laws, administrative regulations, CSRC, and the Hong Kong Stock Exchange.

The Company may decrease its registered capital. The decrease of the Company’s registered capital shall be carried out in accordance with the procedures stipulated by the *PRC Company Law*, the *Hong Kong Listing Rules*, other applicable regulations, and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own shares except under any of the following circumstances, provided that such repurchase complies with applicable laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association:

- (i) To reduce the Company’s registered capital;
- (ii) To merge with another company holding the Company’s shares;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares upon a shareholder’s request who have voted against the resolution of the shareholders’ meeting on the Company’s merger or division;

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- (v) To use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;
- (vi) As necessary to safeguard the Company’s value and the rights and interests of shareholders.

Where the Company repurchases its shares under the circumstances specified in items (i) and (ii) above, such repurchase shall be approved by the shareholders’ meeting. Where the Company repurchases its shares under the circumstances specified in items (iii), (v), and (vi) above, such repurchase shall be approved by the Board of Directors at a Board meeting attended by more than two-thirds of the directors.

After the Company repurchases its shares under the circumstances specified above: for the circumstance under item (i), the shares shall be canceled within ten days from the date of repurchase; for the circumstances under items (ii) and (iv), the shares shall be transferred or canceled within six months; for the circumstances under items (iii), (v), and (vi), the total number of shares held by the Company shall not exceed 10% of its total issued shares, and such shares shall be transferred or canceled within three years. Where laws, regulations, or the securities regulatory authorities at the Company’s stock listing place provide otherwise in respect of share repurchases, such provisions shall prevail. The repurchase of H shares shall comply with the *Hong Kong Listing Rules* and other applicable laws, regulations, and regulatory requirements of the place where the Company’s H shares are [REDACTED].

After repurchasing its shares, the Company shall fulfill its information disclosure obligations in accordance with the requirements of the stock exchange where its shares are [REDACTED] and other applicable securities regulatory rules.

Transfer of Shares

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

All transfers of H shares shall be effected by written transfer documents in the ordinary or common form or in any other form acceptable to the Board of Directors (including the standard transfer form or instrument of transfer prescribed by the Hong Kong Stock Exchange from time to time); such written transfer documents may only be executed by hand signature or affixed with the Company’s valid seal (if the transferor or transferee is the Company). If the transferor or transferee is a recognized clearing house as defined by the relevant ordinances from time to time in force under Hong Kong law (hereinafter “**recognized clearing house**”) or its nominee, the written transfer document may be executed either by hand signature or machine imprint. All transfer documents shall be kept at the Company’s registered address or at such other place as the Board of Directors may from time to time designate.

The Company shall not accept its shares as the subject of a pledge.

Shares issued by the Company prior to its [REDACTED] shall not be transferred within one year from the date on which the Company’s shares are [REDACTED] and [REDACTED] on a stock exchange. If laws, administrative regulations, the CSRC, or Hong Kong Stock Exchange provide otherwise regarding a shareholder’s transfer of shares held in the Company, such provisions shall prevail.

Directors, and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office as determined when they assume the posts, they shall not transfer more than 25% of the total number of shares they

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hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED]. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions. If the listing rules at the Company’s stock listing place provide otherwise regarding restrictions on the transfer of the Company’s shares, such provisions shall prevail.

Directors, senior management members and shareholders holding more than 5% of the Company’s shares who sell shares or other rights-bearing securities they hold in the Company within six months of purchase, or repurchase them within six months of sale, shall have the gains derived therefrom belonging to the Company, and the Company’s Board of Directors shall recover such gains, except where a securities company holds more than 5% of the shares as a result of purchasing the remaining shares after an underwritten offering, or in other circumstances prescribed by the securities regulatory authority of the State Council. If the listing rules of the Company’s stock listing place provide otherwise regarding restrictions on the transfer of the Company’s shares, such provisions shall prevail.

The shares or other equity securities held by the directors, senior management, or individual shareholders referred to in the preceding paragraph include those held by their spouses, parents, and children, as well as those held through accounts of other persons. If the Board of Directors fails to comply with the provisions of the preceding paragraph, shareholders have the right to request the Board of Directors to implement them within 30 days. If the Board of Directors fails to do so within the specified period, shareholders may, in the interest of the Company, directly initiate legal proceedings in their own names with the People’s Court. If the Board of Directors fails to comply with the provisions of the preceding paragraph, responsible directors shall bear joint and several liability in accordance with the law.

SHAREHOLDERS AND THE SHAREHOLDERS’ MEETING

Shareholders

Shareholders of the Company are those who legally hold the Company’s shares and whose names are registered in the register of shareholders. The Company shall establish the register of shareholders based on the certificates provided by the securities registration and clearing institution. The register of shareholders is conclusive evidence of shareholders’ ownership of the Company’s shares. The original copy of the H Share register of shareholders is kept in Hong Kong, entrusted overseas agent shall ensure at all times the consistency between the original and duplicate copies of the register of shareholders for overseas listed shares. The Hong Kong sub-register of shareholders must be available for inspection by shareholders; however, the Company may, in accordance with applicable laws and regulations and the laws and regulations of the Company’s stock listing place, suspend the registration of shareholders. Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend shareholders’ meetings and exercise corresponding rights to speak and vote in accordance with the law;
- (iii) To supervise the Company’s operations and make suggestions or inquiries;

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- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of shareholders’ meetings, resolutions of the Board of Directors, financial accounting reports, and accounting books and vouchers of the Company if they meet the prescribed requirements;
- (vi) To participate in the distribution of the Company’s remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they vote against resolutions of the shareholders’ meeting regarding the Company’s merger or division;
- (viii) Other rights stipulated by laws, administrative regulations, rules, the securities regulatory rules of the Company’s stock listing place, or the Articles of Association.

Shareholders requesting to inspect or copy relevant materials of the Company shall comply with the *PRC Company Law*, the *Securities Law*, the securities regulatory rules of the Company’s stock listing place, and other applicable laws and administrative regulations.

Shareholders requesting to inspect the information referred to in the preceding article or to obtain relevant materials shall provide the Company with written evidence proving the class and number of shares they hold. Upon verifying the shareholder’s identity, the Company shall provide such information or materials in accordance with the shareholder’s request.

Shareholders who, individually or collectively, have held more than 3% of the Company’s shares for more than 180 consecutive days and request to inspect the Company’s accounting books and accounting vouchers shall be subject to the provisions of the second, third, and fourth paragraphs of Article 57 of the *PRC Company Law*. If the Articles of Association specify a lower shareholding threshold, such provisions shall prevail.

Requests by shareholders to inspect or copy materials of the Company’s wholly-owned subsidiaries shall be subject to the provisions of the preceding three paragraphs.

If the resolutions of the shareholders’ meeting or the Board of Directors violate laws or administrative regulations, shareholders have the right to apply to the People’s Court for a declaration of invalidity. If the meeting convening procedures or voting methods of the shareholders’ meeting or the Board of Directors violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to apply to the People’s Court for revocation within 60 days from the date the resolution is made. However, if the meeting convening procedures or voting methods of the shareholders’ meeting or the Board of Directors have only minor defects and do not have a substantial impact on the resolutions, this provision shall not apply.

Shareholders who were not notified to attend the shareholders’ meeting may apply to the People’s Court for revocation within 60 days from the date they knew or should have known of the shareholders’ meeting resolution. If the right to apply for revocation is not exercised within one year from the date of the resolution, the right shall lapse.

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Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, the *Hong Kong Listing Rules*, and the Articles of Association;
- (ii) To pay for their shares according to the shares subscribed and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company’s independent legal person status and shareholders’ limited liability to damage the interests of the Company’s creditors;
- (v) Other obligations stipulated by laws, administrative regulations, the *Hong Kong Listing Rules*, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to the law. Shareholders who abuse the Company’s independent legal personality and shareholders’ limited liability to evade debts and seriously damage the interests of the Company’s creditors shall bear joint and several liability for the Company’s debts.

GENERAL PROVISIONS ON THE SHAREHOLDERS’ MEETING

The shareholders’ meeting of the Company shall be composed of all shareholders. The shareholders’ meeting is the Company’s governing body and shall exercise the following powers in accordance with the law, among others:

- (i) To elect and replace directors, and decide on matters relating to their remuneration;
- (ii) To review and approve the Board of Directors’ report;
- (iii) To review and approve the Company’s profit distribution plan and loss recovery plan;
- (iv) To make resolutions on the Company’s increase or decrease of registered capital;
- (v) To make resolutions on the issuance of corporate bonds;
- (vi) To make resolutions on the Company’s merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To make resolutions on the appointment and dismissal of the accounting firm undertaking the Company’s audit business;
- (ix) To review and approve the guarantee matters and the financial assistance matters stipulated in Articles 48 and 49 of the Articles of Association, respectively;
- (x) To review and approve matters related to the Company’s purchase or sale of major assets exceeding 30% of the Company’s most recent audited total assets within one year;

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- (xi) To review transactions entered into by the Company (excluding transactions not involving consideration, and not subject to any obligation, such as financial assistance, provision of guarantees, donation of cash assets to the Company, or debt forgiveness) which, in accordance with the *Hong Kong Listing Rules*, shall be submitted to the shareholders’ meeting for approval;
- (xii) To review connected transactions that are required to be submitted to the shareholders’ meeting for approval under the *Measures for the Administration of Connected Transactions*;
- (xiii) To review and approve changes in the use of raised funds;
- (xiv) To review equity incentive plans and employee stock ownership plans;
- (xv) To review matters relating to the Company’s repurchase of its own shares under circumstances specified in items (i) and (ii) of the relevant provision;
- (xvi) To review other matters that, under laws, administrative regulations, departmental rules, the regulatory rules of the Hong Kong Stock Exchange (including but not limited to Chapters 14 and 14A of the *Hong Kong Listing Rules*), or the Articles of Association, are required to be decided by the shareholders’ meeting.

The shareholders’ meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Except as otherwise provided by laws, administrative regulations, departmental rules, or the regulatory rules of the Hong Kong Stock Exchange, the powers of the shareholders’ meeting set forth above shall not be exercised by the Board of Directors or any other body or individual through delegation.

The following external guarantees of the Company must be reviewed and approved by the shareholders’ meeting:

- (i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries reaching or exceeding 50% of the Company’s most recent audited net assets;
- (ii) Any guarantee provided after the total external guarantees of the Company exceeding 30% of the Company’s most recent audited total assets;
- (iii) Any guarantee provided by the Company to others after the total amount of guarantees provided within one year exceeding 30% of the Company’s most recent audited total assets;
- (iv) Any guarantee provided to a guaranteed party with a debt-to-asset ratio exceeding 70%;
- (v) Any single guarantee with an amount exceeding 10% of the Company’s most recent audited net assets;
- (vi) Any guarantee provided to shareholders, actual controllers, and their connected persons;
- (vii) Other circumstances as stipulated in the Articles of Association;

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(viii) Other guarantee matters as required by laws, administrative regulations, rules, other normative documents, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*.

When the Board of Directors reviews guarantee matters, such matters shall be approved by more than two-thirds of the directors present at the meeting. When the shareholders’ meeting reviews the guarantee matters under item (iii) of the preceding paragraph, such matters shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Guarantees provided by the Company for its wholly-owned subsidiaries, or for its controlled subsidiaries within the scope of its consolidated financial statements where other shareholders of such subsidiaries provide guarantees in proportion to their equity, without harming the Company’s interests, may be exempted from the provisions of items (i), (iv), and (v) of the preceding paragraph, unless otherwise provided by laws, administrative regulations, the *Hong Kong Listing Rules*, other securities regulatory rules of the Company’s stock listing, or the Articles of Association.

The Board of Directors has the right to review and approve external guarantee matters other than those requiring approval by the shareholders’ meeting as mentioned above.

When the shareholders’ meeting reviews guarantee matters under item (vi), the shareholder concerned, or shareholders controlled by the actual controller, shall not participate in the voting. The resolution shall be passed by a simple majority of the voting rights held by other shareholders attending the meeting.

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

If any of the following circumstances occur, the Company shall convene an extraordinary shareholders’ meeting within two months from the date the facts arise:

- (i) When the number of directors is less than the minimum quorum stipulated by the *PRC Company Law* or two-thirds of the number stipulated by the Articles of Association;
- (ii) When the Company’s unrecovered losses reach one-third of the total paid-in share capital;
- (iii) When shareholders who individually or jointly hold more than 10% of the Company’s shares request it;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene;
- (vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association.

Under item (iii) in the preceding paragraph, the number of shares held shall be calculated as of the date on which the shareholders submit the written request.

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If an extraordinary shareholders’ meeting is convened in response to the requirements of the securities regulatory rules of the Company’s stock listing place, the actual date of the meeting may be adjusted in accordance with the approval progress of the stock exchange at the Company’s stock listing place.

CONVENING OF A SHAREHOLDERS’ MEETING

With the consent of more than half of all independent non-executive directors, independent non-executive directors have the right to propose to the Board of Directors to convene an extraordinary shareholders’ meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders’ meeting within ten days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of making the resolution; if the Board of Directors does not agree to convene an extraordinary shareholders’ meeting, it shall explain the reasons and make an announcement. Any changes to the original proposal in the notice shall obtain the consent of more than half of the independent non-executive directors.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders’ meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders’ meeting within ten days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of making the resolution, 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 convene an extraordinary shareholders’ meeting or fails to provide feedback within ten days of 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 treasury shares) have the right to request the Board of Directors to convene an extraordinary shareholders’ meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees to convene an extraordinary shareholders’ meeting. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of making the resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary shareholders’ meeting or fails to provide feedback within ten days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company’s shares (excluding treasury shares) 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 an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of receiving 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 period, it shall be deemed that the Audit Committee will not convene or preside over the

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shareholders’ meeting, and shareholders individually or jointly holding more than 10% of the Company’s shares (excluding treasury shares) for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or the shareholders decide to convene a shareholders’ meeting on their own, they must notify the Board of Directors in writing and, if required, file with the stock exchange in accordance with the securities regulatory rules of the Company’s stock listing place. Before the announcement of the shareholders’ meeting resolution, the proportion of shares held by the convening shareholders shall not be less than 10%. When issuing the notice of the shareholders’ meeting and the announcement of the shareholders’ meeting resolution, the Audit Committee or the convening shareholders shall, if required, submit the relevant supporting materials as required by the stock exchange at the Company’s stock listing place.

For shareholders’ meetings convened by the Audit Committee or shareholders themselves, the Board of Directors and the Board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for shareholders’ meetings convened by the Audit Committee or shareholders themselves shall be borne by the Company.

PROPOSALS AND NOTICES OF THE SHAREHOLDERS’ MEETING

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

Shareholders individually or jointly holding more than 1% of the Company’s shares may submit additional proposals in writing to the convener ten days before the shareholders’ meeting. The convener shall issue a supplementary notice of the shareholders’ meeting within two days of receiving the proposal, specifying the content of the additional proposal, and submit the additional proposal to the shareholders’ meeting for review. However, additional proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the authority of the shareholders’ meeting, shall be excluded. The Company shall not increase the shareholding threshold required for shareholders to submit such proposals.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders’ meeting or add new proposals after issuing the notice of the shareholders’ meeting.

Proposals not listed in the notice of the shareholders’ meeting or not in compliance with Article 61 of the Articles of Association shall not be voted on or resolved at the shareholders’ meeting.

The convener shall notify all shareholders 21 days before the annual shareholders’ meeting and 15 days before the extraordinary shareholders’ meeting.

The notice of the shareholders’ meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;

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- (iii) The record date for shareholders entitled to attend the shareholders’ meeting;
- (iv) A clear statement that all shareholders are entitled to attend the shareholders’ meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (v) The name and telephone number of the standing contact person for meeting affairs;
- (vi) Where a shareholders’ meeting is convened online or by other means, the notice of the shareholders’ meeting shall specify the time and procedures for voting online or by other means.

The notice of the shareholders’ meeting and any supplementary notices shall provide a full and comprehensive explanation of the complete details of all proposals, as well as all information or explanations necessary for shareholders to make an informed judgment on the matters to be discussed.

HOLDING OF A SHAREHOLDERS’ MEETING

All shareholders registered on the register of shareholders on the record date or their proxies have the right to attend the shareholders’ meeting and exercise their voting rights in accordance with applicable laws, regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association (unless certain shareholders are required by the laws and regulations of the Company’s stock listing place or the *Hong Kong Listing Rules* to abstain from voting on specific matters).

Shareholders may attend the shareholders’ meeting in person, or appoint proxies to attend and vote on its behalf. Any shareholder entitled to attend and vote at the shareholders’ meeting may appoint one or more persons (who need not be a shareholder of the Company) to act as its proxies to attend and vote on its behalf.

Individual shareholders who attend the meeting in person shall present their ID card or other valid certificate or proof of identity. If a shareholder appoints a proxy to attend, the proxy shall present his/her valid ID card and a power of attorney from the shareholder.

A corporate shareholder shall attend the meeting through its legal representative or a proxy authorized by the legal representative. Where the legal representative attends the meeting, he/she shall present his/her ID card and valid proof of his/her qualification as the legal representative. Where a proxy attends the meeting, the proxy shall present his/her ID card and a written power of attorney duly issued by the legal representative of the corporate shareholder (except where the shareholder is a recognized clearing house or its nominee).

A partnership shareholder shall attend the meeting through its managing partner (including a representative appointed by the managing partner) or a proxy authorized by the managing partner. Where the managing partner (including its appointed representative) attends the meeting, he/she shall present his/her ID card and valid proof of qualification as the managing partner (including as the appointed representative of the managing partner). Where a proxy attends the meeting, the proxy shall present his/her ID card and a written power of attorney duly issued by the managing partner of the partnership shareholder.

Where a shareholder is a recognized clearing house or its nominee, such shareholder may authorize one or more persons it deems appropriate to act as its representative(s) at any shareholders’ meeting or creditors’ meeting. However, if more than one person is so authorized, the instrument of authorization shall specify the number and class of shares to which each authorized person relates. The instrument of authorization shall be signed by a person authorized by the recognized clearing house. A person so authorized may act on behalf of the recognized clearing house (or its nominee) to exercise its rights

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without producing share certificates, notarized authorizations, and/or further evidence of due authorization, and shall enjoy the same statutory rights as other shareholders, including the rights to speak and vote as if such person were an individual shareholder of the Company.

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

- (i) The name of the appointing shareholder and the class and quantity of shares held;
- (ii) The name of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the shareholders' meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the appointing shareholder. If the appointing shareholder is a corporate shareholder, the power of attorney shall be affixed with its official seal, or be signed by its director or duly authorized proxy or person.

The shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his/her duties, the vice chairman shall preside. If the vice chairman is unable or unwilling to perform his/her duties, a director elected by more than half of the directors shall preside. The shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his/her duties, a member of the Audit Committee elected by more than half of the Audit Committee members shall preside. The shareholders' meeting convened by shareholders themselves shall be presided over by a representative elected by the convener. If the meeting chairperson violates the Articles of Association or the rules of procedure for the shareholders' meeting, making it impossible to continue the meeting, the shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

VOTING AT THE SHAREHOLDERS' MEETING

Resolutions of the shareholders' meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting. A special resolution of the shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be passed by an ordinary resolution of the shareholders' meeting:

- (i) The work reports of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of members of the Board of Directors, and their remuneration and payment methods;

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- (iv) Other matters except those that, as stipulated by laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by a special resolution of the shareholders’ meeting:

- (i) The increase or decrease of the Company’s registered capital;
- (ii) The merger, division, dissolution and liquidation of the Company;
- (iii) Amendments to the Articles of Association;
- (iv) The Company’s purchase or sale of major assets or provision of guarantees to others with an amount exceeding 30% of the Company’s most recent audited total assets within a year;
- (v) Equity incentive plans;
- (vi) Other matters stipulated by laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association, as well as matters deemed by the shareholders’ meeting via ordinary resolutions to have a significant impact on the Company and require a special resolution.

Shareholders (including shareholder proxies) shall exercise their voting rights according to the number of voting shares they represent, with each share carrying one vote. When voting, a shareholder (including shareholder proxies) entitled to two or more votes need not cast all of his/her/its votes in favor of, against, or in abstention from a resolution.

When the shareholders’ meeting considers major matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of such separate voting shall be promptly disclosed.

Shares held by the Company carry no voting rights and shall not be included in the total number of voting shares present at the shareholders’ meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*, if any shareholder is required to abstain from voting on any particular resolution, or is restricted to voting only in favor or only against, any vote cast in violation of such requirements or restrictions by the shareholder (or its proxy) shall not be counted in the voting results.

When the shareholders’ meeting considers connected transactions, the connected shareholders shall not vote, and the number of voting shares they represent shall not be included in the total number of valid votes. The announcement of the shareholders’ meeting resolution shall fully disclose the voting results of non-connected shareholders.

BOARD OF DIRECTORS

Directors

The Company’s directors may include executive directors, employee representative directors, non-executive directors, and independent non-executive directors. A non-executive director refers to a director who does not hold any management position in the Company.

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The Company’s directors shall be natural persons. A person with any of the following circumstances shall not serve as a director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than five years have elapsed since the expiration of the execution period, or if on probation, less than two years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violations of law, and being personally liable therefor, where less than three years have elapsed since the revocation of the business license or the order for closure of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a dishonest judgment debtor by the People’s Court;
- (vi) Having been subject to restrictions on access to the securities market imposed by the CSRC, which have not yet expired;
- (vii) Having been publicly determined by the stock exchange as unfit to serve as a director or senior management member of listed companies, which has not yet expired;
- (viii) Other circumstances stipulated by laws, administrative regulations, or departmental rules.

Directors shall be elected or replaced by the shareholders’ meeting, and may be removed from office by the shareholders’ meeting before their term of office expires. The term of office of a director shall be three years, which, upon expiration, may be renewed in accordance with the securities regulatory rules of the Company’s stock listing place.

A director may concurrently serve as general manager or other senior management positions, but the total number of directors who concurrently serve as general manager or other senior management positions shall not exceed half of the total number of directors.

A director may resign before his/her term of office expires. The director shall submit a written resignation report to the Board of Directors, and the Board shall disclose the relevant information within the time limit required by the securities regulatory rules of the Company’s stock listing place. Where the resignation of a director results in the number of directors falling below the statutory minimum, the resigning director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association until a new director is elected and assumes office.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

Board of Directors

The Company shall have a Board of Directors consisting of nine directors, including at least three independent non-executive directors. The Board shall have one chairman and one vice chairman, each elected by a majority of all directors.

The Board of Directors shall exercise the following powers:

- (i) Convening shareholders’ meetings and reporting to the shareholders’ meeting;
- (ii) Implementing resolutions of the shareholders’ meeting;
- (iii) Deciding on the Company’s business plans and investment proposals;
- (iv) Deciding on the Company’s business policies and investment plans;
- (v) Reviewing and approving the Company’s annual financial budget and final accounts;
- (vi) Formulating the Company’s profit distribution plans and loss recovery plans;
- (vii) Formulating plans for the Company’s increase or decrease of registered capital, issuance of corporate bonds or other securities, and [REDACTED];
- (viii) Drafting plans for major acquisitions, repurchases of the Company’s shares under the circumstances specified in items (i) and (ii) of the first paragraph of Article 25 of the Articles of Association, or for mergers, divisions, dissolution, or changes in the corporate form of the Company, subject to compliance with the securities regulatory rules of the Company’s stock listing place;
- (ix) Where the thresholds for submission to the shareholders’ meeting are not met, or within the scope authorized by the shareholders’ meeting, deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, and connected transactions; and authorizing the general manager to make decisions on certain routine operational matters within the Board’s authority;
- (x) Deciding on the establishment of the Company’s internal management structure and branches;
- (xi) Deciding on the appointment or dismissal of the general manager, Board secretary and other senior management members, and determining their remuneration as well as matters concerning rewards and penalties; based on the general manager’s nomination, deciding on the appointment or dismissal of deputy general managers, the chief financial officer and other senior management members, and determining their remuneration as well as matters concerning rewards and penalties;
- (xii) Formulating and amending the Company’s basic management systems;
- (xiii) Formulating amendments to the Articles of Association;
- (xiv) Managing the Company’s information disclosure matters;
- (xv) Proposing to the shareholders’ meeting the appointment or replacement of the accounting firm auditing the Company;

APPENDIX III**SUMMARY OF ARTICLES OF ASSOCIATION**

- (xvi) Hearing the work reports of the general manager and supervising the general manager’s work;
- (xvii) Making resolutions regarding the repurchase of the Company’s shares under the circumstances specified in items (iii), (v), or (vi) of the first paragraph of Article 25 of the Articles of Association;
- (xviii) Other powers as granted by laws, administrative regulations, departmental rules, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association.

A Board meeting shall be held only if more than half of the directors are present. Resolutions of the Board of Directors shall be passed by more than half of all directors, unless otherwise stipulated by laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, or the Articles of Association. Voting on Board resolutions shall be conducted on a one director, one vote basis.

If a director has a connected relationship with any enterprise or individual involved in the matter to be resolved by the Board of Directors, the director shall promptly submit a written report to the Board. A director with a connected relationship shall not exercise voting rights on that resolution, nor act as a proxy for another director to vote. The Board meeting shall be convened with the presence of more than half of the non-connected directors, and resolutions of the Board meeting must be passed by a majority of the non-connected directors present. If fewer than three non-connected directors attend the Board meeting, the matter shall be submitted to the shareholders’ meeting for deliberation.

The Board of Directors shall establish the Audit Committee, Strategy Committee, Nomination Committee, and Remuneration and Assessment Committee. The specialized committees are accountable to the Board and shall perform their duties in accordance with the Articles of Association and authorization from the Board; their proposals shall be submitted to the Board for review and approval. All members of the specialized committees shall be directors. For the Audit Committee (which includes an internal audit department), Nomination Committee, and Remuneration and Assessment Committee, independent non-executive directors shall form the majority and act as conveners. The convener of the Audit Committee shall be an accounting professional, and the Nomination Committee must include at least one director of a different gender. The Board shall formulate the working procedures of the specialized committees to regulate their operations.

General Manager and Other Senior Management Members

The Company shall have one general manager, who shall be nominated by the chairman of the Board, appointed or dismissed by the Board of Directors. The Company shall also have several deputy general managers, one chief financial officer and one Board secretary, who shall be nominated by the chairman. The chief financial officer may be nominated by the general manager. All shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, chief financial officer and Board secretary shall constitute senior management of the Company.

The provisions of the Articles of Association regarding circumstances where a person may not serve as a director, as well as the resignation management rules, shall also apply to senior management members. Similarly, the provisions of the Articles of Association concerning directors’ duties of loyalty and diligence shall apply to senior management members.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

The term of office of the general manager shall be three years, and the general manager may be reappointed upon the expiration of each term.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers:

- (i) Presiding over the Company’s production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) Implementing the Company’s annual business plans and investment proposals;
- (iii) Drafting proposals for the establishment of the Company’s internal management structure;
- (iv) Drafting the Company’s basic management systems;
- (v) Formulating the Company’s specific regulations;
- (vi) Proposing to the Board of Directors the appointment or dismissal of the deputy general managers and the chief financial officer;
- (vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors, and formulating the staff remuneration, welfare, and reward and punishment schemes or policies;
- (viii) Deciding on transactions, other than those requiring approval by the shareholders’ meeting or the Board of Directors, either by the chairman or the general manager authorization by the chairman;
- (ix) Exercising the powers of the legal representative and signing documents that are required to be signed by the Company’s legal representative.

The Board secretary shall be responsible for preparing shareholders’ meetings and Board meetings, maintaining documents, managing shareholder information, and handling information disclosure matters.

Senior management members shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If a senior management member fails to perform his/her duties faithfully or breaches the duty of integrity, causing damage to the Company or shareholders, he/she shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company’s assets shall not be stored in accounts opened in the name of any individual.

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SUMMARY OF ARTICLES OF ASSOCIATION

Profit Distribution System

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company’s statutory reserve fund. If the cumulative amount of the statutory reserve fund exceeds 50% of the Company’s registered capital, the Company may cease to make further allocations. If the Company’s statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year’s profits to cover the losses before allocating the statutory reserve fund as stipulated above.

After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders’ meeting. After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders. If the shareholders’ meeting distributes profits to shareholders in violation of the *PRC Company Law*, the shareholders shall return the improperly distributed profits to the Company; shareholders, as well as the responsible directors and senior management members, shall bear liability for any resulting losses caused to the Company. Shares of the Company held by the Company itself (if any) shall not participate in profit distribution.

The Company’s reserve funds shall be used to cover the Company’s losses, expand the Company’s production and operation, or convert into additional share capital. When reserve funds are used to cover losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When the statutory reserve fund is converted into share capital, the retained statutory reserve fund shall not be less than 25% of the Company’s registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, which clarifies the leadership structure, responsibilities and powers, staffing, budgetary support, utilization of audit results, and accountability for internal audit work. The internal audit system shall be implemented upon approval by the Board of Directors and be disclosed externally. The internal audit department shall report to the Board of Directors.

Engagement of an Accounting Firm

The Company shall engage an accounting firm that complies with the *Securities Law of the People’s Republic of China*, other applicable laws and regulations, and the securities regulatory rules of the Company’s stock listing place to conduct audits of accounting statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The engagement or dismissal of the accounting firm shall be decided by the shareholders’ meeting. The Board of Directors shall not appoint the accounting firm before the shareholders’ meeting has made its decision.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the shareholders’ meeting.

APPENDIX III**SUMMARY OF ARTICLES OF ASSOCIATION**

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

If the accounting firm resigns, it shall explain to the shareholders' meeting whether there are any improper circumstances in the Company

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**Merger, Division, Capital Increase, and Capital Reduction**

The Company's merger may be in the form of an absorption merger or a consolidation merger.

When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property inventory. The Company shall notify its creditors within ten days from the date of adopting the merger resolution and make an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly.

When the Company divides, it shall prepare a balance sheet and a property inventory. The Company shall notify its creditors within ten days from the date of the division resolution and make an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System within 30 days.

The companies resulting from the division shall bear joint and several liabilities for the Company's debts existing before the division, unless otherwise agreed in a written agreement on the settlement of debts reached between the Company and its creditors before the division.

When the Company reduces its registered capital, it must prepare a balance sheet and a property inventory.

The Company shall notify its creditors within ten days from the date of the shareholders' meeting resolution on the capital reduction and make an announcement on the designated newspaper within 30 days. Creditors have the right request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company reduces its registered capital, it shall correspondingly reduce the capital contribution or shares held by shareholders in proportion to their respective contributions or shareholding, unless otherwise provided by laws or the Articles of Association.

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SUMMARY OF ARTICLES OF ASSOCIATION

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights, except as otherwise provided in the Articles of Association or as resolved by the shareholders’ meeting granting such rights. Shareholders subscribing for new shares shall pay the subscription price in accordance with the provisions of the *PRC Company Law* and other applicable laws and regulations on the capital contribution for joint stock companies.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the company registration authority in accordance with the law. When the Company is dissolved, it shall apply for cancelation of registration in accordance with the law. When a new company is established, it shall apply for establishment registration in accordance with the law.

When the Company increases or reduces its registered capital, it shall apply for a change of registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company may be dissolved for the following reasons:

- (i) The business term stipulated in the Articles of Association expires or other dissolution causes stipulated in the Articles of Association arise;
- (ii) The shareholders’ meeting resolves to dissolve the Company;
- (iii) The Company needs to be dissolved due to a merger or division;
- (iv) The Company is lawfully revoked of its business license, ordered to close, or rescinded;
- (v) The Company’s operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders’ interests, and no other solutions can be found. In such circumstances, Shareholders holding 10% or more of the Company’s voting rights may request the People’s Court to dissolve the Company.

When the Company encounters any of the dissolution causes mentioned above, it shall publicize the dissolution causes through the National Enterprise Credit Information Publicity System within ten days.

If the Company encounters the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or by a resolution of the shareholders’ meeting. Such an amendment or resolution requires approval by more than two-thirds of the voting rights held by shareholders present at the shareholders’ meeting.

If the Company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The directors shall serve as the liquidation obligors and establish a liquidation team within 15 days from the date the dissolution cause arises to commence the liquidation. The liquidation team shall consist of directors, unless the Articles of Association provide otherwise or the shareholders’ meeting resolves to appoint others. If the Company is dissolved due to the circumstances mentioned in item (iv) above, the authority that revokes the business license, orders the closure, or rescinds the Company, or the company registration authority, may apply to the People’s Court to appoint relevant personnel to form a liquidation team to carry out the liquidation.

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The liquidation team shall notify creditors within ten days from the date of its establishment and make an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation team shall register the claims.

During the claim declaration period, the liquidation team shall not settle claims with creditors.

After cleaning up the Company’s assets and preparing a balance sheet and a property inventory, the liquidation team shall formulate a liquidation plan and submit it to the shareholders’ meeting or the People’s Court for confirmation. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company’s assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company’s assets and preparing a balance sheet and a property inventory, if the liquidation team finds that the Company’s assets are insufficient to settle its debts, it shall apply to the People’s Court for a declaration of bankruptcy in accordance with the law. Upon the People’s Court ruling to declare bankruptcy, the liquidation team shall transfer the liquidation matters to the bankruptcy administrator designated by the People’s Court.

After the Company’s liquidation is completed, the liquidation team shall prepare a liquidation report, submit it to the shareholders’ meeting or the People’s Court for confirmation, and file it with the company registration authority to apply for the Company’s deregistration and announce the Company’s termination.

Where the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

Amendments to the Articles of Association

If any of the following circumstances arise, the Company will amend the Articles of Association:

- (i) After amendments to the *PRC Company Law*, or relevant laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, or the *Hong Kong Listing Rules*;
- (ii) Changes occur in the Company’s circumstances that are inconsistent with the matters recorded in the Articles of Association;
- (iii) The shareholders’ meeting resolves to amend the Articles of Association.

Amendments to the Articles of Association approved by the shareholders’ meeting that require approval from competent authorities shall be submitted to the competent authorities for such approval; if the amendments involve company registration matters, the changes shall be registered in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders’ meeting on amendments to the Articles of Association and the approval opinions of the relevant competent authorities.