

## APPENDIX IV

## SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix sets out a summary of the principal provisions of the Articles of Association of the Company adopted on March 30, 2026, which will become effective on the date when the H Shares are [REDACTED] on the Hong Kong Stock Exchange. This Appendix is intended primarily to provide potential investors with an overview of the Articles of Association of the Company and may not contain all information that is material to potential investors.

### ISSUE OF SHARES

The Shares of the Company shall be in the form of share certificates.

The issue of Shares of the Company shall comply with the principles of openness, fairness and impartiality, and each Share of the same class shall have the same rights.

Shares of the same class issued in the same tranche shall have the same issue terms and prices; each Share subscribed for by a subscriber shall be paid for at the same price.

Neither the Company nor its subsidiaries (including its affiliated enterprises) shall provide financial assistance by way of gift, advance, guarantee, loan or otherwise, for any person to acquire Shares of the Company or its parent company, except where the Company implements an employee stock ownership plan.

For the benefit of the Company, the Company may provide financial assistance for any person to acquire Shares of the Company or its parent company by way of a resolution of the general meetings or a resolution adopted by the Board of Directors pursuant to the authorization set out in the Articles of Association or the authorization of the general meetings, provided that the aggregate accumulated amount of such financial assistance shall not exceed 10% of the total issued share capital. Any resolution of the Board of Directors in relation thereto shall be passed by more than two-thirds of all the directors.

### INCREASE OR REDUCTION OF SHARE CAPITAL AND REPURCHASE OF SHARES

#### Increase of Capital

In accordance with the needs of its operation and development and subject to the provisions of laws and regulations and a resolution of the general meetings, the Company may increase its capital by way of:

- (I) issuing Shares to unspecified persons;
- (II) issuing Shares to specified persons;
- (III) distributing bonus Shares to existing Shareholders;
- (IV) capitalizing capital reserves into share capital; and
- (V) other methods as prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the CSRC.

#### Reduction of Capital

The Company may reduce its registered capital. Any reduction of registered capital by the Company shall be carried out in accordance with the Company Law and other relevant provisions and the procedures set out in the Articles of Association.

### REPURCHASE OF SHARES

The Company shall not acquire its own Shares. However, this prohibition shall not apply under any of the following circumstances:

- (I) to reduce the Company's registered capital;

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- (II) to merge with another company that holds Shares of the Company;
- (III) to use the Shares for an employee stock ownership plan or equity incentive plan;
- (IV) where a Shareholder, objecting to a resolution of the general meetings in relation to a merger or division of the Company, demands that the Company acquire his/her Shares;
- (V) to use the Shares for conversion of convertible corporate bonds issued by the Company;
- (VI) where it is necessary for the Company to protect the Company's value and the rights and interests of its Shareholders; and
- (VII) other circumstances under which the Company may acquire its own Shares as prescribed by laws, regulations, the regulatory rules of the place where the Company's shares are listed, or other applicable rules.

Where the Company acquires its own Shares under circumstances (III), (V) or (VI) of the preceding paragraph, such acquisition shall be carried out by way of open centralised trading. Where the Company acquires its own Shares under circumstances (I) or (II) of the preceding paragraph, such acquisition shall be approved by a resolution of the general meetings. Where the Company acquires its own Shares under circumstances (III), (V) or (VI) of the preceding paragraph, such acquisition may, subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, be approved by a resolution of the Board of Directors at a board meeting attended by more than two-thirds of the directors, in accordance with the provisions of the Articles of Association or the authorisation of the general meetings.

### TRANSFER OF SHARES

Shares issued before the Company's [REDACTED] of A Shares shall not be transferred within one year from the date on which the Company's shares are listed and traded on the Shenzhen Stock Exchange.

Directors and senior management of the Company shall report to the Company the number of Shares of the Company held by them and any changes thereto. During their term of office as determined at the time of appointment, the number of Shares of the same class transferred by them in any year shall not exceed 25% of the total number of Shares of that class held by them. The Shares of the Company held by them shall not be transferred within one year from the date on which the Company's A Shares are listed and traded. The above-mentioned persons shall not transfer the Shares of the Company held by them within six months after leaving office. If laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the holding of Shares of the Company by Shareholders, directors or senior management of the Company, such provisions shall prevail.

### RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

#### Shareholders

The Company shall maintain a register of members based on the certificates provided by the securities registration and settlement institution. The register of members shall be sufficient evidence for proving the status of a Shareholder holding Shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of Shares held by them; Shareholders holding Shares of the same class shall enjoy the same rights and assume the same obligations.

#### Rights and Obligations of Shareholders

A Shareholder of the Company shall have the following rights:

- (I) to receive dividends and other forms of distribution of profits in accordance with the number of Shares held by him/her;

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- (II) to request, convene, preside over, attend or appoint a proxy to attend general meetings in accordance with the law, and to exercise the corresponding voting rights;
- (III) to supervise the business operations of the Company, and to make proposals or inquiries;
- (IV) to transfer, gift or pledge the Shares held by him/her in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the Articles of Association;
- (V) to inspect and make copies of the Articles of Association, the register of members, minutes of general meetings, resolutions of Board meetings, and financial accounting reports; Shareholders who satisfy the relevant requirements may inspect the Company's accounting books and accounting vouchers;
- (VI) upon termination or liquidation of the Company, to participate in the distribution of the Company's residual assets in accordance with the number of Shares held by him/her;
- (VII) to demand that the Company acquire his/her Shares if he/she objects to a resolution of the general meetings on a merger or division of the Company; and
- (VIII) other rights as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

A Shareholder of the Company shall assume the following obligations:

- (I) to comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;
- (II) to pay share capital in accordance with the Shares subscribed for by him/her and the method of capital contribution;
- (III) not to withdraw his/her capital contribution except under circumstances as provided by laws and regulations;
- (IV) not to abuse his/her Shareholders' rights to harm the interests of the Company or other Shareholders, and not to abuse the independent legal person status of the Company or the limited liability of Shareholders to harm the interests of the Company's creditors;
- (V) Other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association.

If a Shareholder of the Company abuses his/her Shareholders' rights and causes losses to the Company or other Shareholders, he/she shall be liable for compensation in accordance with the law. If a Shareholder of the Company abuses the independent legal person status of the Company or the limited liability of Shareholders to evade debts and materially harms the interests of the Company's creditors, he/she shall be jointly and severally liable for the Company's debts.

### GENERAL MEETINGS

#### General Provisions on General Meetings

The general meetings of the Company shall be composed of all Shareholders. The general meetings are the authoritative body of the Company and shall exercise the following powers and functions in accordance with the law:

- (I) elect and replace directors, and decide on matters relating to the remuneration of directors;
- (II) review and approve the reports of the Board of Directors;
- (III) review and approve the Company's profit distribution plans and plans for making up losses;

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- (IV) resolve on matters relating to increase or reduction of the Company's registered capital;
- (V) resolve on the issuance of corporate bonds;
- (VI) resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (VII) amend the Articles of Association;
- (VIII) resolve on the engagement or dismissal of the accounting firm undertaking the Company's audit business and its remuneration;
- (IX) review and approve the guarantee matters as set out in Article 47 of the Articles of Association;
- (X) consider matters relating to the purchase or sale of material assets by the Company within one year exceeding 30% of the latest audited total assets of the Company;
- (XI) review and approve changes to the use of the raised funds;
- (XII) consider equity incentive plans and employee stock ownership plans; and
- (XIII) consider other matters as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be determined by the general meetings.

The general meetings may authorise the Board of Directors to resolve on the issuance of corporate bonds.

An extraordinary general meeting shall be convened within two months from the date on which any of the following circumstances occurs:

- (I) when the number of directors falls below the number required by the Company Law or below two-thirds of the number prescribed by the Articles of Association;
- (II) when the amount of the Company's uncovered losses reaches one-third of its total share capital;
- (III) upon the request of Shareholders holding, individually or in aggregate, 10% or more of the Company's Shares;
- (IV) when the Board of Directors deems it necessary;
- (V) when the Audit and Legal Committee proposes to convene a meeting; and
- (VI) other circumstances as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If an extraordinary general meeting is convened pursuant to the securities regulatory rules of the place where the Company's shares are listed, the actual date of such extraordinary general meeting may be adjusted in accordance with such securities regulatory rules.

### **Convening of the Shareholders' Meeting**

The Board shall convene the shareholders' meeting on time within the specified period. Subject to the consent of more than half of all the independent directors, the independent directors have the right to propose to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place where the

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Company's shares are listed and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the resolution of the Board is made. Where the Board does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement.

The Audit and Legal Committee shall propose to the Board to convene of an extraordinary general meeting and shall submit the request in writing to the Board. The Board shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

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

Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within 5 days after the resolution of the Board is made, and the changes to the original request in the notice shall be agreed with relevant shareholders.

Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders individually or collectively holding more than 10% of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary general meeting and shall submit the request in writing to the Audit Committee.

Where the Audit and Legal Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the shareholders' meeting within 5 days of receiving the request, and the changes to the original request in the notice shall be agreed with relevant shareholders.

Where the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, the Audit and Legal Committee shall be deemed to not convene or preside over the shareholders' meeting, and the shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

The convener will notify shareholders by announcement 21 days before the annual shareholders' meeting, and for the extraordinary shareholders' meeting, shareholders will be notified by announcement 15 days before the meeting. When calculating the starting period, the Company shall not include the date of the meeting. If there are other provisions in laws and regulations, the stock exchange where the Company's shares are listed, and the securities regulatory authorities, those provisions shall prevail. The notice of the shareholders' meeting issued to shareholders will be published on the website of the Hong Kong Stock Exchange, the website of the Company, and other medias that meet the conditions prescribed by the securities regulatory authority of the place where the Company's shares are listed. Once announced, all shareholders will be deemed to have received the notice of the relevant shareholders' meeting.

The notice of the shareholders' meeting includes the following:

- (I) time, place and duration of the meeting;
- (II) matters and proposals submitted to the meeting for consideration;

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- (III) explain in obvious words: All ordinary shareholders and shareholders holding special voting rights shares and other 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;
- (IV) equity registration date of shareholders who have the right to attend the shareholders' meeting;
- (V) name and telephone number of the permanent contact person for conference affairs;
- (VI) voting time and voting procedures online or by other means.
- (VII) other requirements stipulated in laws and regulations, regulatory rules of the place where the Company's shares are listed, the Articles of Association, etc.

### **Resolutions of Shareholders' Meeting**

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

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

Special resolutions made on a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

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

- (I) work reports of the Board;
- (II) the profit distribution plan and loss recovery plan drawn up by the Board;
- (III) the appointment and removal of members of the Board and their remuneration and payment methods;
- (IV) other matters that shall be passed by special resolutions except those stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

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

- (I) the Company increases or decreases its registered capital;
- (II) the division, spin-off, merger, dissolution and liquidation of the Company;
- (III) modification of the Articles of Association;
- (IV) the Company purchases or sells major assets within one year or the amount of guarantee provided to others exceeds 30% of the Company's latest audited total assets;
- (V) equity incentive plan;
- (VI) variation or abrogation of the rights of class shareholders;
- (VII) other matters that are stipulated in laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as those that are determined by the general meeting to have a significant impact on the Company through ordinary resolutions and need to be passed through special resolutions.

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Shareholders may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote, except for class shareholders. When material matters affecting the interests of small and medium investors are considered at the general meeting, the votes of small and medium investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted in how he votes (only for or against a particular resolution), in accordance with the requirements of the laws, regulations, the listing rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association, any vote cast by such shareholder or proxy thereof in contravention of the aforementioned requirements or restrictions shall not be counted towards the voting results.

If a shareholder violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law by purchasing shares of the Company with voting rights, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and is not included in the total number of shares with voting rights present at the general meeting.

### ***Directors and Board of Directors***

#### ***Directors***

Where a director of the Company is a natural person and shall not serve as a director of the Company in any of the following circumstances:

- (I) a person without civil capacity or with restricted civil capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order and has been punished because of committing such offence; or who has been deprived of his political rights, where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation; or who having been given a suspended sentence, where less than two years have elapsed since the completion of the probation period;
- (III) persons who are directors, factory managers or managers of a company or enterprise which has become bankrupt and been liquidated and who are personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) persons who were legal representatives of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who were personally liable, where less than three years have elapsed since the date of the such revocation or closure order;
- (V) a person who has been subject to court-ordered enforcement as a judgment defaulter due to significant personal debts remaining unpaid upon maturity;
- (VI) persons who have been banned from access to the securities market by the CSRC for a period of time;
- (VII) persons who have been publicly determined by a stock exchange to be unsuitable to serve as a director or Senior Management of a listed company, where the specified period of disqualification has not yet expired;
- (VIII) other matters as stipulated by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

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Any election or appointment of directors in violation of this Article shall be invalid. The Company shall remove a director from office and terminate his/her duties immediately in the event of this Article during his/her term of office.

The Company does not have any director serving as an employee representative. Directors shall be elected or replaced at the general meeting and may be removed by the general meeting before the expiry of their terms of office. The term of a director shall be 3 years. Directors may be re-elected upon the expiration of the term.

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

Senior Management may concurrently serve as directors, provided that the directors who concurrently serve as Senior Management shall not exceed half of the total number of directors of the Company.

### *Board of Directors*

The Company shall establish a Board of Directors. The Board of Directors shall consist of 11 directors, including 1 Chairman and 1 Vice-Chairman, who shall be elected by more than half of all the directors.

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

- (I) to convene general meetings and report to the general meetings;
- (II) to implement resolutions of the general meetings;
- (III) to decide on our Company's business plans and investment plans;
- (IV) to formulate our Company's profit distribution plans and plans on making up losses;
- (V) to formulate proposals for the increase or reduction of our Company's registered capital, the issuance of bonds or other securities and listing;
- (VI) to formulate plans for our Company's major acquisition, repurchase the Shares of our Company, or merger, division, dissolution or change of corporate form of our Company;
- (VII) to decide on matters such as external investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and external donations of our Company within the scope of authorization by the general meetings;
- (VIII) to decide on establishment of internal management organs of our Company;
- (IX) to decide to appoint or dismiss the Company's manager, and the secretary to the Board and other Senior Management, and to decide on their remuneration, rewards and penalties, and pursuant to the nominations of the Chief Executive Officer, to decide to appoint or dismiss senior officers including Deputy General Manager and chief financial officer of the Company and to decide on their remuneration, rewards and penalties;
- (X) to formulate the basic management system of our Company;
- (XI) to formulate proposals to amend the Articles of Association;
- (XII) to manage our Company's information disclosures;

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- (XIII) to propose to hire or replace an accounting firm auditing for the Company to the general meeting;
- (XIV) to listen to the work report of the Chief Executive Officer of the Company and check the work of the Chief Executive Officer;
- (XV) to engage in hedging activities in respect of futures commodity varieties traded on domestic futures exchanges that are related to the Company's business, including silver, tin, copper, lead and zinc, the Board of Directors may, at its discretion, determine hedging positions not exceeding 40% of the spot contracts or the current period's production output; any hedging positions exceeding 40% shall be subject to approval by the general meeting.
- (XVI) other powers as provided by laws, administrative regulations, departmental rules, the Articles of Association or permitted by the general meeting.

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the general meeting for approval.

Unless otherwise provided in this document and the securities regulatory rules of the place where the Company's shares are listed, the following transactions shall be subject to the approval of the Board of Directors:

- (I) Approval authority for transactions such as external investment, acquisition or sale of assets (excluding purchases or sales of assets related to daily operations), entrusted wealth management, pledge of assets, and external donations (excluding the provision of guarantees or financial assistance by the Company):
  1. total amount of assets involved in the transactions exceeds 10% of the latest audited total assets of the Company, and if such total amount of assets involved in the transactions has both book value and assessed value, the higher one shall be used for calculation;
  2. the net assets of the transaction target (such as equity) exceeds 10% of the net assets value on the listed company's consolidated accounting statements of the most recent financial year, with an amount above RMB10 million, and the net assets involved in the transaction have both book value and appraised value, the higher one shall be used for calculation;
  3. the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB10 million;
  4. the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million;
  5. the transaction consideration (including debts and expenses assumed) exceeds 10% of the latest audited net assets of the company, and the absolute amount of which exceeds RMB10 million;
  6. profits arising from the transaction exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million.

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If the figures for calculation of the above criteria are negative amounts, their absolute amounts shall be used for calculation.

Where the transaction (other than the provision of guarantees or financial assistance) entered into by the Company meets any of the following thresholds, it shall, after being considered and approved by the Board of Directors, be submitted to the general meetings for approval:

1. total amount of assets involved in the transactions exceeds 50% of the latest audited total assets of the Company, and if such total amount of assets involved in the transactions has both book value and assessed value, the higher one shall be used for calculation;
2. the net assets of the transaction target (such as equity) exceeds 50% of the net assets value on the listed company’s consolidated accounting statements of the most recent financial year, with an amount above RMB50 million, and the net assets involved in the transaction have both book value and appraised value, the higher one shall be used for calculation;
3. the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB50 million;
4. the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million;
5. the transaction consideration (including debts and expenses assumed) exceeds 50% of the latest audited net assets of the company, and the absolute amount of which exceeds RMB50 million;
6. profits arising from the transaction exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million.

If the figures for calculation of the above criteria are negative amounts, their absolute amounts shall be used for calculation.

Where the Company enters into a “purchase or sale of assets” transaction, the higher of total assets and the transaction amount shall be used as the calculation benchmark, and the transaction shall be aggregated on a transaction type basis within a consecutive twelve-month period. Where the aggregated amount reaches 30% of the latest audited total assets, the transaction shall be submitted to the general meetings for approval and passed by at least two-thirds of the voting rights held by the shareholders present at the meeting. Any transaction in respect of which the relevant obligations have been performed in accordance with the preceding paragraph shall no longer be included in the relevant aggregated calculation.

Any transaction in which the Company is benefited unilaterally, including accepting cash asset and acquiring debt reduction or release, is exempted from the consideration procedure at the general meetings as set out in the above provisions of this Article. Any transaction by the Company which only meets the condition set out in 4 or 6 above is exempted from the consideration procedure at the general meetings, provided that the absolute value of the earnings per share of the Company in the last fiscal year is lower than RMB0.05.

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The Company shall not provide any financial assistance without approval granted and resolution made by over two thirds of the directors present at a meeting of the Board of Directors. The following matters on financial assistance shall be considered at the general meetings after being considered and approved by the Board of Directors:

1. the audited debt ratio in the last period of the assisted object exceeds 70%;
2. the amount of a single financial assistance or the aggregate amount of the financial assistances provided in twelve consecutive months exceeds 10% of the audited net assets in the last period of the Company;
3. other circumstances as required by the stock exchange where the Company's shares are listed or the Articles of Association.

If the target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company, and no any other shareholders of such holding subsidiary are the controlling shareholder, the actual controller and their associates of the Company, such financial assistance shall be exempted from the above review procedure provisions.

### (II) Decision-making authority for the provision of guarantees:

The provision of guarantee by the Company for the debts of others shall comply with the provisions of the Articles of Association and be subject to the consideration of the Board of Directors or the general meetings. External guarantees which are required to be approved by the general meetings under Article 47 of the Articles of Association shall be submitted to the general meetings for approval only after they have been considered and approved by the Board of Directors. When the Board of Directors considers a matter concerning the provision of a guarantee by the Company for the debts of others, such matter must be approved by at least two-thirds of the directors present at the board meeting.

### (III) Decision-making authority for connected transactions:

Where the transaction (other than the provision of guarantees or financial assistance) entered into between the Company and a connected person meets any of the following thresholds, it shall be subject to board consideration procedures after obtaining the approval of more than half of all independent non-executive directors:

1. the transaction with a connected natural person involving a consideration exceeding RMB300,000;
2. the transaction with a connected legal person involving a consideration exceeding RMB3 million and accounting for more than 0.5% of the absolute value of the Company's latest audited net assets.

If the transaction (except for the provision of guarantees) entered into between the Company and the connected parties has a transaction amount exceeding RMB30 million and accounts for more than 5% of the absolute value of the Company's latest audited net assets, it shall be submitted to the general meetings for consideration.

The scope of the "transactions", "connected transactions", "connected natural persons" and "connected legal persons" referred to above shall be determined with reference to the relevant provisions of the Shenzhen Stock Exchange Listing Rules, the Hong Kong Stock Exchange Listing Rules and other applicable rules, unless otherwise provided in the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed.

The Board of Directors shall convene regular board meeting at least four times each year. The meeting shall be convened by the Chairman and all the directors shall be notified in writing 14 days prior to the regular board meeting.

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Shareholders holding more than one-tenth of the voting rights, more than one-third of the directors, or the Audit and Legal Committee may propose the convening of an interim board meeting. The Chairman shall, within 10 days after receiving such proposal, convene and preside over the board meeting.

The Board meeting should be attended by more than half of the directors before it can be held. A resolution made by the Board of Directors must be passed by majorities of all directors. The voting on Board resolutions shall be based on one person, one vote.

### Audit Committee

The Company's Board of Directors establishes an Audit and Legal Committee, which exercises the powers and functions of the supervisory committee as stipulated in the Company Law.

The Audit and Legal Committee shall consist of three or more members, all of whom must be non-executive directors, with the independent directors holding more than half of the memberships, including the independent director who is an accounting professional, and such independent director shall serve as the Chairman of the Committee.

The Audit and Legal Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration after the approval by a majority of all members of the Audit and Legal Committee:

- (I) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- (II) appointment or dismissal of the accounting firm that undertake the company's auditing business;
- (III) appointment or dismissal of the Company's chief financial officer;
- (IV) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;
- (V) other matters as stipulated by laws, administrative regulations, rules of the CSRC, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and the working rules of the Audit and Legal Committee.

### *Senior Management*

The Company shall have one Chief Executive Officer, who shall be appointed or removed by the Board of Directors.

The Company shall have eight Deputy General Manager, who shall be appointed or removed by the Board of Directors.

The Chief Executive Officer, Deputy General Manager, the secretary to the Board, the chief financial officer and such other persons as recognized by the Board of Directors shall be the Senior Management of the Company.

The Chief Executive Officer shall serve a term of three years, and may be re-appointed upon expiry of such term.

The Chief Executive Officer shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

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- (II) to organize the implementation of our Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of our Company's internal management organization;
- (IV) to draft our Company's basic management system;
- (V) to formulate the specific rules and regulations of our Company;
- (VI) to propose to the Board of Directors appointment or dismissal of Deputy General Manager and chief financial officer of our Company;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) other powers and functions as granted by the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Board of Directors.

The Chief Executive Officer shall attend the Board meeting.

### FINANCIAL AND ACCOUNTING SYSTEM

The disclosure of periodic reports of A shares: Within 4 months from the date of the expiration of each fiscal year, an annual report shall be submitted to the Securities Regulatory Bureau of Inner Mongolia and the stock exchange, respectively and disclosed. Within 2 months after the first half of each fiscal year, an interim report shall be submitted to the Securities Regulatory Bureau of Inner Mongolia and the stock exchange, respectively and disclosed.

The disclosure of periodic reports of H Shares: the periodic reports of H Shares of the Company include annual reports and interim reports. The Company shall disclose its preliminary announcement on annual results within 3 months from the ending date of each fiscal year, and complete its annual report for disclosure within 4 months from the ending date of each fiscal year and at least 21 days prior to the date of the annual general meeting. The Company shall disclose its preliminary announcement on interim results within 2 months from the ending date of the first 6 months of each fiscal year, and complete its interim report for disclosure within 3 months from the ending date of the first 6 months of each fiscal year.

The above annual reports, interim reports and results announcement shall be prepared in accordance with the relevant laws, administrative regulations, and the requirements of the securities regulatory authorities of the places where the Company's shares are listed and the stock exchange(s).

### Profit Distribution

The Company adopts consistent and stable profit distribution policies, which should emphasize on investors' reasonable investment return while maintaining sustainable development of the Company, but the profit distribution shall not exceed the accumulated distributable profits.

#### *(I) Profit Distribution Policy of the Company*

1. The Company may distribute dividends in cash, in shares, in a combination of both cash and shares or other ways permitted by laws and regulations, and priority shall be given to distribution in cash.
2. Implementation of distribution of cash dividends by the Company shall at least satisfy all of the following conditions at the same time:
  - (1) profit has been made for the year and the accumulated undistributed profit is greater than zero;
  - (2) statutory reserve and surplus reserve have been setting aside in full as required;

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- (3) a standard auditor's report without qualifying opinions has been issued by the auditor institution for the financial report of the Company for the year;
  - (4) the Company's capital needs for normal production and operations are satisfied, and there are no matters such as major investment plans or major cash expenditure plans.
3. On satisfying the above conditions to distribution of cash dividends, the Company will actively distribute dividends in cash, which will be conducted once each year in principle. The Board of Directors of the Company may propose the distribution of an interim cash dividends based on the profit and capital needs of the Company.
4. If, while maintaining growth in share capital and performance, the Board of Directors considers that the Company's share price no longer matches its share capital size, the Company may distribute dividends in the form of shares. The distribution of dividends in the form of shares may be conducted either separately or together with cash dividends.
5. On satisfying the above conditions to distribution of cash dividends, the total profit distributed by the Company in cash for the last three years shall be no less than 30% of the annual average distributable profit for the last three years. The profit distribution by the Company shall not exceed the scope of accumulated distributable profit or impair the Company's continuous operation capability. Where conditions permit, the Company may distribute interim cash dividends.
6. In case of any shareholder's illegal appropriation of funds of the Company, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds appropriated.
7. Differentiated Cash Dividends Policy

The Board shall propose differentiated cash dividends policy in accordance with the procedures required under the Articles of Association, after taking into full consideration the characteristics of the industry in which the Company operates, the stage of development, the own business model of the Company, the standard of profitability and whether there are significant capital expenses and making the following classifications:

- (1) If the Company is at maturity stage and there is no arrangement for significant capital expenses, in making profit distribution, cash dividends shall account for at least 80% of total dividends to be distributed;
- (2) If the Company is at maturity stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 40% of total dividends to be distributed;
- (3) If the Company is at growth stage and there are arrangements for significant capital expenses, in making profit distribution, cash dividends shall account for at least 20% of total dividends to be distributed;
- (4) When it is difficult to identify the development stage of the Company but there are arrangements for significant capital expenses, the preceding provision shall apply.

### **Dissolution and Liquidation of the Company**

The Company shall be dissolved in any of the following circumstances:

- (I) The business period specified in the Articles of Association is expired or other causes of dissolution specified therein take place;
- (II) The general meeting resolves to dissolve the Company;
- (III) Dissolution is necessary due to a merger or demerger of the Company;

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- (IV) The business license is revoked, or the company is ordered to close or be shut down according to law;
- (V) Where the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters, shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

Where the Company is in the situation described in item (I) and item (II) of the preceding paragraph, and has not yet distributed property to shareholders, the Company may continue to exist by amending these Articles of Association or through resolutions in the shareholders' meeting.

The amendments to the Articles of Association pursuant to the preceding paragraph or by resolutions in the general meeting are subject to the approval by shareholders holding more than two-thirds of the voting rights of the shareholders presented at the general meeting.

Where the Company is dissolved under items (I), (II), (IV) and (V) of paragraph 1 of the preceding Article, it shall be liquidated. The directors are the obligors for the liquidation of the Company and a liquidation committee shall be formed within 15 days of the date of dissolution to carry out the liquidation.

The liquidation committee shall comprise the directors, unless the Articles of Association provide otherwise or it is resolved at the general meeting. to elect another person(s).

If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

After the liquidation committee has thoroughly examined the Corporation's assets and prepared a balance sheet and an asset list, it shall formulate a liquidation plan and submit such plan to the shareholders meeting or the People's court in charge for confirmation.

After liquidation expenses, wages of employees, social insurance premiums and legal compensations, outstanding taxes and the Corporation's debts are paid, the assets of the Corporation shall be distributed by the Company according the proportions of shares held by the shareholders.

During liquidation, the Corporation shall continue to exist but may not engage in business activities unrelated to liquidation.

The assets of the Corporation shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding Article.

### **Amendments to Articles of Association**

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

- (I) Subsequent to the amendment of the Company Law and relevant laws and administrative regulations, and the securities regulatory rules of the places where the Company's shares are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the securities regulatory rules of the places where the Company's shares are listed;
- (II) The Company has experienced changes, resulting in matters inconsistent with those recorded in the Articles of Association; and
- (III) The general meeting decides to amend the Articles of Association.