

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATIONS

This appendix provides investors with a summary of the Articles of Association. As the following information is presented in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company take the form of share certificates.

The issue of the Company’s shares shall adhere to the principles of openness, fairness and impartiality, and each share of the same class shall carry the same rights.

Shares of the same class issued at the same time shall be issued on the same terms and at the same price; Subscribers shall pay the same price for each share subscribed for.

The nominal value shares issued by the Company shall have their nominal value denominated in RMB.

INCREASE OR DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may, in light of its operational and development needs and in accordance with the provisions of laws, regulations, and the securities regulatory rules of the place where the Company’s shares are listed, increase its capital in the following ways, upon a resolution passed at a general meeting:

- (i) issuing shares to the public;
- (ii) issuing shares to specified parties;
- (iii) distributing bonus shares to existing shareholders;
- (iv) capitalising reserves into share capital;
- (v) other methods stipulated by laws and administrative regulations and approved by the securities regulatory authorities of the place where the Company’s shares are listed, The Stock Exchange of Hong Kong Limited (the “**HKEX**”) and the China Securities Regulatory Commission (the “**CSRC**”).

The Company may reduce its registered capital. To reduce its registered capital, the Company shall follow the procedures stipulated in the Company Law of the People’s Republic of China (the “**PRC Company Law**”) (《中華人民共和國公司法》), other relevant regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) (《香港上市規則》), other securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

Share Repurchase

The Company shall not acquire its own shares. Save for the following circumstances:

- (i) to reduce the Company’s registered capital;
- (ii) to merge with another company that holds shares in the Company;
- (iii) to use the shares for employee share ownership schemes or equity incentive schemes;
- (iv) where a shareholder objects to a resolution of the general meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares;
- (v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;

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- (vi) where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders;
- (vii) other circumstances permitted by provisions stipulated by laws, administrative regulations, and regulations of the securities regulatory and administrative authorities of the place where the Company’s shares are listed, the Hong Kong Listing Rules and other relevant provisions.

The Company may acquire its own shares through public centralized trading, or by other means approved by relevant laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the CSRC (if required).

Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, such acquisition shall be conducted through public centralized trading. Where the Company acquires its own shares under the circumstances stipulated in items (i) and (ii) above, a resolution shall be passed at a general meeting. Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, it may do so in accordance with the provisions of the Articles of Association or as authorized by the general meeting, by a resolution passed at a Board meeting attended by two-thirds or more of the directors.

After the Company acquires its own shares in accordance with the provisions above, if the acquisition falls under item (i), the shares shall be cancelled within 10 days from the date of acquisition; if it falls under items (ii) and (iv), the shares shall be transferred or cancelled within 6 months; if the acquisition falls under items (iii), (v) and (vi), the total number of the Company’s shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

When acquiring its own shares, the Company shall perform its information disclosure obligations in accordance with relevant laws and regulations, the Hong Kong Listing Rules and other relevant provisions. If the relevant regulatory rules of the place where the Company’s shares are listed provide otherwise on matters related to share repurchase, such provisions shall prevail.

Transfer of Shares

The Company’s shares shall be transferable in accordance with the law. The sale restrictions, reduction of holdings and other matters related to changes in the shares held by the Company’s shareholders, directors and senior management shall comply with the PRC Company Law, the Securities Law of the People’s Republic of China (the “**Securities Law**”) (《中華人民共和國證券法》), the Hong Kong Listing Rules, and the relevant regulations of the CSRC and the relevant regulatory rules of the place where the Company’s shares are listed concerning changes in the Company’s shares. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or any other form which the Board of Directors may accept (including the standard transfer form or form of transfer as prescribed by the HKEX from time to time); and such instrument of transfer shall be executed under hand or, if the transferor or transferee is a company, affixed with its valid company chop. Where the transferor or transferee is a recognized clearing house (or its nominee) as defined in the relevant Ordinances from time to time in force in Hong Kong, the instrument of transfer may be signed by hand or by machine-imprinted signature. All instruments of transfer shall be lodged for registration at the registered office of the Company or at such other place as the Board of Directors may from time to time designate.

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

Shares issued by the Company before its public offering shall not be transferred within one year from the date on which the Company’s shares are listed and traded on a stock exchange.

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Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office, the number of shares transferred by them annually shall not exceed 25% of the total number of shares they hold in the Company; the shares they hold in the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company.

Where shares are pledged during the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right during such restricted transfer period.

Where the relevant provisions of the securities supervisory and administrative authority of the place where the Company's shares are listed provide otherwise for restrictions on the transfer of overseas listed shares, such provisions shall prevail.

Where a director, senior management member, or a shareholder holding more than 5% of the Company's shares sells the Company's stock or other equity-like securities held by them within 6 months of purchase, or repurchases them within 6 months of selling, the proceeds therefrom shall belong to the Company, and the Company's Board of Directors shall recover such proceeds. This shall not apply, however, to circumstances where a securities company holds 5% or more of the shares as a result of purchasing the unsold shares after underwriting, or to other circumstances stipulated by the securities supervision and administration authority of the State Council and the securities regulatory authorities of the place where the Company's shares are listed. The aforesaid shareholders holding more than 5% of the Company's shares shall not include the recognized clearing houses and their nominees as defined in the relevant ordinances from time to time in force in Hong Kong.

The stocks or other equity-like securities held by the directors, senior management, and natural person shareholders referred to in the preceding paragraph include stocks or other equity-like securities held by their spouses, parents, children and other related (connected) persons, and those held through others' accounts.

If the Company's Board of Directors fails to act in accordance with the aforementioned provisions, shareholders have the right to demand that the Board of Directors do so within 30 days. If the Company's Board of Directors fails to act within the aforementioned period, shareholders have the right to file a lawsuit directly with a people's court in their own name for the benefit of the Company. If the Board of Directors fails to act in accordance with the above provisions of this article, the responsible directors shall bear joint and several liability in accordance with the law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders based on the credentials provided by the securities registration institution, and the register of shareholders shall be sufficient evidence of the shareholders' holdings of the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations. The original of the register of shareholders of the Company's H Shares shall be kept in Hong Kong. The register of shareholders of H Shares must be available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (《公司條例》) and the securities regulatory rules of the place where the Company's shares are listed.

Shareholders of the Company shall enjoy the following rights:

- i. to receive dividends and other forms of profit distribution in proportion to their shareholdings;

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- ii. to request, convene, preside over, attend or appoint a shareholder’s proxy to attend general meetings in accordance with the law, to speak at the general meetings, and to exercise the corresponding voting rights, unless an individual shareholder is required to abstain from voting on particular matters under the securities regulatory rules of the place where the shares are listed or applicable laws and regulations;
- iii. to supervise the Company’s operations and to make suggestions or inquiries;
- iv. to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations and the Articles of Association;
- v. to inspect and copy the Company’s Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and shareholders who meet the prescribed conditions may inspect the Company’s accounting books and vouchers;
- vi. upon the termination or liquidation of the Company, to participate in the distribution of the Company’s remaining assets in proportion to their shareholdings;
- vii. to demand that the Company acquire his/her/its shares if he/she/it objects to a resolution of the general meeting on the merger or division of the Company;
- viii. other rights stipulated 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.

Shareholders who request to inspect or copy the relevant materials of the Company mentioned in this Article shall provide the Company with written documents certifying the class and number of shares they hold, and the Company shall provide such materials after verifying the shareholder’s identity. Shareholders requesting to inspect the Company’s accounting books and accounting vouchers shall submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to believe that a shareholder’s inspection of the accounting books and accounting vouchers has an improper purpose and may harm the Company’s legitimate interests, it may refuse to provide such inspection and shall reply to the shareholder in writing within fifteen days from the date of the shareholder’s written request, stating the reasons therefor.

If the content of a resolution of the general meeting or Board of Directors violates laws or administrative regulations, shareholders have the right to request a people’s court to declare it invalid. If the convening procedures or voting methods of a general meeting or Board meeting violate laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right, within 60 days from the date the resolution is made, to request a people’s court to set it aside. However, this does not apply if the convening procedures or voting methods of the general meeting or Board meeting have only minor procedural flaws that do not have a substantial impact on the resolution.

If there is a dispute among the Board of Directors, shareholders and other relevant parties regarding the validity of a resolution of a general meeting, a lawsuit shall be promptly filed with a people’s court. Pending a judgment or ruling from a people’s court to nullify a resolution, the relevant parties shall implement the resolution. The Company, its directors and senior management shall duly perform their duties to ensure the normal operation of the Company.

If a people’s court makes a judgment or ruling on relevant matters, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, the CSRC and the securities regulatory rules of the place where the Company’s shares are listed, fully explain the impact, and actively cooperate with the execution after

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the judgment or ruling becomes effective. Where the correction of prior period matters is involved, the Company shall handle such matters in a timely manner and fulfill the corresponding information disclosure obligations.

A resolution of the Company’s general meeting or Board of Directors is not established if any of the following circumstances exists:

- i. no general meeting or Board meeting was held to make the resolution;
- ii. no vote was taken on the resolution matter at the general meeting or Board meeting;
- iii. the number of attendees at the meeting or the number of voting rights they hold did not reach the threshold stipulated by the PRC Company Law or the Articles of Association;
- iv. the number of persons who approved the resolution or the number of voting rights they hold did not reach the number or voting rights stipulated by the PRC Company Law or the Articles of Association.

Shareholders of the Company shall undertake the following obligations:

- i. to comply with laws, administrative regulations and the Articles of Association;
- ii. to pay for the shares subscribed for in accordance with the subscription and contribution method;
- iii. not to withdraw their share capital, except in circumstances stipulated by laws and regulations;
- iv. not to abuse their shareholder rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company’s independent legal personality and the limited liability of shareholders to the detriment of the interests of the Company’s creditors;
- v. other obligations to be undertaken as stipulated by laws, administrative regulations, the Articles of Association or the securities regulatory rules of the place where the Company’s shares are listed.

If a Company shareholder abuses their shareholder rights and causes losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. If a Company shareholder abuses the Company’s independent legal personality and the limited liability of shareholders to evade debts and seriously harms the interests of the Company’s creditors, they shall bear joint and several liability for the Company’s debts.

Controlling Shareholders and De Facto Controllers

The Company’s Controlling Shareholders and De Facto Controllers shall exercise their rights and perform their obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange of the place where the Company’s shares are listed, and safeguard the interests of the Company.

The Company’s controlling shareholders and de facto controllers shall comply with the following provisions:

- i. to exercise their shareholder rights in accordance with the law, and not to abuse their controlling power or use their related party (connected) relationships to harm the legal rights and interests of the Company or other shareholders;
- ii. to strictly fulfill public statements and all commitments made, and not to alter or waive them without authorization;

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- iii. to strictly fulfill information disclosure obligations in accordance with relevant regulations, to actively cooperate with the Company in its information disclosure, and to promptly inform the Company of any material events that have occurred or are proposed;
- iv. not to appropriate the Company’s funds in any way;
- v. not to compel, instruct, or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- vi. not to use the Company’s undisclosed material information to seek benefits, not to disclose any undisclosed material information related to the Company in any way, and not to engage in illegal or irregular activities such as insider trading, short-swing trading, or market manipulation;
- vii. not to harm the legal rights and interests of the Company and other shareholders through any means such as unfair related party (connected) transactions, profit distribution, asset reorganisation, or external investments;
- viii. to ensure the integrity of the Company’s assets, the independence of its personnel, finances, organisation and business, and not to affect the Company’s independence in any way;
- ix. other provisions of laws, administrative regulations, the CSRC, the regulations of the securities regulatory authorities and stock exchange of the place where the Company’s shares are listed, the business rules of the stock exchange and the Articles of Association.

If the Company’s controlling shareholder or de facto controller does not serve as a director of the Company but actually carries out the Company’s affairs, the provisions of the Articles of Association regarding the directors’ duties of loyalty and diligence shall apply.

If the Company’s controlling shareholder or de facto controller instructs a director or senior management member to engage in acts that harm the interests of the Company or its shareholders, they shall bear joint and several liability with that director or senior management member.

General Provisions for General Meetings

The general meeting shall be composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following powers in accordance with the law:

- i. to elect and replace directors who are not employee representatives and to decide on matters concerning their remuneration;
- ii. to consider and approve the reports of the Board of Directors;
- iii. to consider and approve the Company’s profit distribution plans and loss recovery plans;
- iv. to pass resolutions on the increase or decrease of the Company’s registered capital;
- v. to pass resolutions on the issue of corporate bonds;
- vi. to pass resolutions on the merger, division, dissolution, liquidation or change of the Company’s form;
- vii. to amend the Articles of Association;
- viii. to pass resolutions on the appointment or dismissal of the accounting firm that undertakes the Company’s audit business;
- ix. to consider and approve the guarantee matters stipulated in Article 48 of the Articles of Association;

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- x. to consider matters relating to the purchase or sale of material assets by the Company within one year that exceeds 30% of the Company’s latest audited total assets;
- xi. to consider and approve matters concerning changes in the use of proceeds;
- xii. to consider employee share ownership schemes and equity incentive schemes;
- xiii. to consider other matters that are required to be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

The following external guarantees to be provided by the Company shall be subject to consideration and approval by the general meeting:

- i. any guarantee provided after the aggregate amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of its latest audited net assets;
- ii. any guarantee provided after the total amount of the Company’s external guarantees exceeds 30% of its latest audited total assets;
- iii. any guarantee provided to others by the Company within one year where the amount exceeds 30% of the Company’s latest audited total assets;
- iv. any guarantee provided for a guaranteed party with an asset-liability ratio exceeding 70%;
- v. any single guarantee with an amount exceeding 10% of the Company’s latest audited net assets;
- vi. any guarantee provided to shareholders, de facto controllers and their related (connected) parties;
- vii. other circumstances of guarantees that require consideration and approval by the general meeting as stipulated by laws, administrative regulations, rules, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once a year and within six months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within 2 months from the date of the occurrence of any of the following circumstances:

- i. when the number of directors is less than the number required by the PRC Company Law or less than two-thirds of the number specified in the Articles of Association;
- ii. when the Company’s unrecovered losses amount to one-third of its total paid-up share capital;
- iii. upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the Company’s shares;
- iv. when the Board of Directors deems it necessary;
- v. when the Audit Committee proposes to convene a meeting;
- vi. other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

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If an extraordinary general meeting is convened in accordance with the requirements of the securities regulatory rules of the place where the Company’s shares are listed, the actual date of the meeting may be adjusted based on the approval progress of the relevant stock exchange.

Convening of General Meetings

The Board of Directors shall convene the general meeting on time within the prescribed period. With the consent of more than half of all independent non-executive directors, the independent non-executive directors have the right to propose to the Board of Directors that an extraordinary general meeting be convened. In response to a proposal from independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board’s resolution; If the Board of Directors disagrees to convene an extraordinary general meeting, it shall explain the reasons and make an announcement. Where the securities regulatory authorities of the place where the Company’s shares are listed provide otherwise, such provisions shall prevail.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary general meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after the Board’s resolution is made, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or failing to perform its duty to convene the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding, individually or jointly, 10% or more of the Company’s shares have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary general meeting within 10 days of receiving the request. If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board’s resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the request, a shareholder or shareholders holding, individually or jointly, 10% or more of the Company’s shares have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall submit the request to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the general meeting, and a shareholder or shareholders holding, individually or jointly, 10% or more of the Company’s shares for 90 consecutive days or more may convene and preside over the meeting on their own.

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If the Audit Committee or shareholders decide to convene a general meeting on their own, they must notify the Board of Directors in writing and at the same time file a record with the stock exchange of the place where the Company’s shares are listed. The Audit Committee or the convening shareholders shall submit relevant supporting documents to the stock exchange of the place where the Company’s shares are listed when issuing the notice of the general meeting and the announcement of the resolution of the general meeting. Before the announcement of the resolution of the general meeting, the shareholding percentage of the convening shareholders shall not be less than 10% of the Company’s total share capital.

For a general meeting convened by the Audit Committee or shareholders on their own initiative, the Board of Directors and the secretary to the Board of Directors shall provide cooperation. The Board of Directors shall provide the register of shareholders for the share registration date.

Proposals and Notices of General Meetings

The content of a proposal to the general meeting shall fall within the scope of powers of the general meeting, have a clear topic and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholders holding, individually or jointly, 1% or more of the Company’s shares have the right to submit proposals to the Company. A shareholder or shareholders holding, individually or jointly, 1% or more of the Company’s shares may submit an extraordinary proposal in writing to the convener 10 days before the general meeting is held. The convener shall, within 2 days of receiving the proposal, issue a supplementary notice of the general meeting to announce the content of the extraordinary proposal and submit such extraordinary proposal to the general meeting for consideration; However, this shall not apply if the extraordinary proposal is in violation of the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association, or if it falls outside the scope of powers of the general meeting. If a general meeting is required to be adjourned due to the issuance of a supplemental notice of general meeting under the securities regulatory rules of the place of the Company’s listing, the holding of the general meeting shall be adjourned in accordance with such rules. Except in the circumstances stipulated in the preceding paragraph, the convener shall not amend the proposals already listed in the notice of the general meeting or add new proposals after issuing the announcement of the notice of the general meeting. Proposals not listed in the notice of the general meeting or not in compliance with the provisions of the Articles of Association shall not be voted on or resolved at the general meeting.

The convener shall notify all shareholders by way of announcement 21 days prior to an annual general meeting, and shall notify all shareholders by way of announcement 15 days prior to an extraordinary general meeting. The notice period shall not include the day on which the meeting is held.

The notice of a general meeting shall include the following:

- i. the time, place and duration of the meeting;
- ii. the matters and proposals to be considered at the meeting;
- iii. a clear statement that all shareholders have the right to attend the general meeting and may appoint a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;
- iv. the share registration date for shareholders entitled to attend the general meeting;
- v. the name and telephone number of the permanent contact person for meeting affairs;

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- vi. the time and procedures for voting by internet or other means.

The notice and supplemental notice of a general meeting shall contain the content stipulated by the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals.

Convening of the General Meeting

All shareholders registered on the share registration date or their proxies are entitled to attend the general meeting and to exercise their voting rights in accordance with relevant laws, regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association (unless an individual shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on a particular matter). A shareholder may attend the general meeting in person or entrust a proxy to attend and vote on their behalf. A proxy need not be a shareholder of the Company.

An individual shareholder attending the meeting in person shall present their ID card or other valid documents or proof that can establish their shareholder identity; a proxy attending the meeting on behalf of a shareholder shall present his/her own valid identification document and the shareholder's power of attorney.

A corporate shareholder or other institutional shareholder shall be represented at the meeting by its legal representative/executive partner or a proxy entrusted by the legal representative/executive partner. A legal representative/executive partner attending the meeting shall present their ID card and valid proof of their status as a legal representative/executive partner; a proxy attending the meeting shall present his/her own identification document and a written power of attorney duly issued by the legal representative/executive partner of the corporate shareholder/institutional shareholder (except where the shareholder is a recognized clearing house or its nominee as defined in the relevant ordinances from time to time in force in Hong Kong).

A power of attorney issued by a shareholder authorising another person to attend a general meeting shall specify the following:

- i. the name of the principal, and the class and number of shares held in the Company;
- ii. the name of the proxy;
- iii. the shareholder's specific instructions, including instructions to vote for, against or abstain;
- iv. the date of issue and the period of validity of the power of attorney;
- v. signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate entity shall be affixed; If the principal is a partnership shareholder, the seal of the partnership shall be affixed.

The power of attorney shall specify whether the shareholder's proxy may vote as he/she thinks fit if the shareholder does not give specific instructions.

If the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization documents for such signature shall be notarized. A notarised power of attorney or other authorisation documents, together with the proxy form, shall be deposited at the Company's domicile or such other place specified in the notice of the meeting. If the principal is not a natural person, a person authorized by a resolution of its person in charge or its board of directors or other decision-making body shall attend the Company's general meeting as a representative.

If a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances from time to time in force in Hong Kong, such shareholder may authorize such person or persons as it thinks fit to act as its representative at any general meeting or creditors' meeting.

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However, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and the power of attorney shall be signed by an authorized person of the recognized clearing house. A person so authorized may, on behalf of the recognized clearing house (or its nominee), attend meetings (without producing evidence of holding of shares, a notarized power of attorney and/or further evidence to prove that he is duly authorized) and exercise rights, including the rights to speak and to vote, as if such person were an individual shareholder of the Company.

If the general meeting requires directors and senior management to attend the meeting, they shall attend and accept inquiries from shareholders. Provided that it is in compliance with the securities regulatory rules of the place where the Company’s shares are listed, the aforesaid persons may attend or be present at the meeting by means of internet, video, telephone or other means with equivalent effect.

The general meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his duties, the meeting shall be presided over by the vice chairman; if the vice chairman is unable or fails to perform his duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. A general meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee. A general meeting convened by shareholders on their own initiative shall be presided over by the convener or a representative elected by them. When a general meeting is held, if the chairman of the meeting violates the rules of procedure, making it impossible for the general meeting to continue, the general meeting may, with the consent of shareholders present holding a majority of the voting rights, elect a person to act as the chairman of the meeting and continue the meeting.

Voting of the General Meeting

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

The following matters shall be passed by an ordinary resolution at a general meeting:

- i. the work report of the Board of Directors;
- ii. the profit distribution plans and loss recovery plans proposed by the Board of Directors;
- iii. the appointment and removal of members of the Board of Directors and their remuneration and payment methods;
- iv. any other matters except for those required to be passed by a special resolution under laws, administrative regulations, the Hong Kong Listing Rules, other 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 a special resolution at a general meeting:

- i. any increase or reduction of the Company’s registered capital (including on a pro-rata and non-pro-rata basis);
- ii. the division, spin-off, merger, dissolution and liquidation of the Company;
- iii. amendments to the Articles of Association;
- iv. any purchase or sale of material assets by the Company or provision of guarantee to others within one year where the amount exceeds 30% of the Company’s latest audited total assets;

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- v. equity incentive plans;
- vi. other matters which are required to be passed by a special resolution as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association, as well as those matters which are considered by an ordinary resolution of the general meeting to have a material impact on the Company.

Shareholders (including their proxies) shall exercise their voting rights in proportion to the number of voting shares they represent, and each share shall carry one vote. Where the securities regulatory rules for the listing of the Company’s shares provide otherwise, such provisions shall prevail.

When the general meeting considers material matters affecting the interests of small and medium-sized investors, the votes of such small and medium-sized investors shall be counted separately. The results of the separate vote count shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company itself shall have no voting rights and such shares shall not be included in the total number of voting shares represented at a general meeting.

Where a shareholder’s purchase of the Company’s voting shares violates the provisions of Article 63, paragraphs 1 and 2 of the Securities Law, the shares held in excess of the specified proportion shall not carry any voting rights for a period of thirty-six months from the date of purchase and shall not be counted towards the total number of voting shares represented at a general meeting.

The Company’s Board of Directors, independent non-executive directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the securities regulatory authorities of the place where the Company’s shares are listed may publicly solicit shareholders’ voting rights. The solicitation of shareholders’ voting rights shall fully disclose information such as the specific voting intention to the persons being solicited. Soliciting shareholders’ voting rights for consideration or in a disguised form for consideration is prohibited. Except under statutory conditions, the Company shall not impose a minimum shareholding requirement for the solicitation of voting rights.

When a general meeting considers matters concerning related party (connected) transactions, the related party (connected) shareholders shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; the announcement of the resolution of the general meeting shall fully disclose the voting results of non-related party (connected) shareholders.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

- i. a person with no or limited capacity for civil conduct;
- ii. having been sentenced to criminal penalties for corruption, bribery, embezzlement or misappropriation of property, or for disrupting the order of the socialist market economy, or having been deprived of political rights for a crime, where not more than 5 years have elapsed since the expiry of the enforcement period, or having been given a suspended sentence where not more than 2 years have elapsed since the expiry of the probation period;

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- iii. a person who served as a director, factory manager or general manager of a company or enterprise which is under bankruptcy liquidation and was personally liable for the bankruptcy of such company or enterprise, where not more than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- iv. a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down for violation of law, and was personally liable therefor, where not more than 3 years have elapsed since the date of such revocation or closing down;
- v. a person who has an overdue and outstanding personal debt of a substantial amount and has been listed as a person subject to enforcement for breach of trust by a People's Court;
- vi. being subject to a securities market entry ban imposed by the CSRC or the HKEX, where the term of such ban has not expired;
- vii. having been publicly identified by the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed as unsuitable to serve as a director or senior management of a listed company, where the term of such identification has not expired;
- viii. other contents stipulated by laws, administrative regulations or departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

If a director is elected, appointed or engaged in violation of this article, such election, appointment or engagement shall be invalid. If a director falls under any of the circumstances stipulated in this article during his/her term of office, the Company shall remove him/her from his/her position and terminate his/her duties.

Directors who are not employee representatives are elected or replaced by the general meeting, and may be removed from office by the general meeting before the expiration of their term. The Board of Directors shall include an employee representative of the Company. The employee representative on the Board of Directors shall be democratically elected by the employees of the Company through the employee representative congress, the employee assembly or other forms, and need not be submitted to the general meeting for deliberation. The term of office of each director shall not exceed 3 years, and directors are eligible for re-election upon expiry of their term. Where the relevant securities regulatory rules of the place where the Company's shares are listed provide otherwise regarding the re-election of directors, such provisions shall prevail.

A director's term of office shall commence on the date of his/her assumption of office and expire upon the end of the term of the then current session of the Board of Directors. If a successor to a Director is not elected in a timely manner upon the expiration of his/her term of office, the original director shall continue to perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director takes office.

Any person appointed by the Board of Directors as a director to fill a casual vacancy on the Board or as an addition to the Board shall be subject to election by shareholders at the first annual general meeting after his/her acceptance of appointment, and shall hold office only until the first annual general meeting of the Company after his/her appointment, and shall then be eligible for re-election.

Directors may concurrently hold positions as senior management personnel, but the aggregate number of directors who also serve as senior management personnel and directors who are employee representatives shall not exceed 1/2 of the total number of directors of the Company. The Company's Board of Directors shall have 1 employee representative director.

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A director may resign before the expiration of his/her term of office. A director’s resignation shall be submitted to the Company in a written resignation report. The resignation shall take effect on the date the Company receives the resignation report, and the Company shall disclose the relevant information within 2 days or within the time limit required by the securities regulatory rules of the place where the Company’s shares are listed.

If the resignation of a director results in the number of members of the Company’s Board of Directors falling below the statutory minimum, or the resignation of an independent non-executive director results in the number or proportion of independent non-executive directors in the Board of Directors or its specialised committees failing to comply with laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed, or results in there being no independent non-executive director with appropriate professional qualifications or appropriate accounting or relevant financial management expertise as required by the regulations, the resigning director shall continue to perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association until his/her successor takes office.

The general meeting may by resolution remove a director, and such removal shall take effect on the date the resolution is passed. If a director is removed before the expiry of his/her term of office without due cause, the director may claim compensation from the Company.

Board of Directors

The Company shall establish a Board of Directors, which shall be composed of 8 directors, including 3 independent non-executive directors. There shall be one chairman and one vice chairman. The chairman and vice chairman of the Board shall be elected by the Board of Directors with the affirmative vote of more than half of all directors. At all times, the Board of Directors shall have one-third or more independent non-executive directors, and the total number of independent non-executive directors shall not be less than 3, among which at least 1 independent non-executive director shall possess appropriate professional qualifications that meet regulatory requirements, or appropriate accounting or relevant financial management expertise as stipulated in relevant regulatory requirements.

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

- i. to convene general meetings and to report on its work to the general meetings;
- ii. to implement the resolutions of the general meetings;
- iii. to decide on the Company’s business plans and investment proposals;
- iv. to formulate the Company’s profit distribution plans and loss recovery plans;
- v. to formulate proposals for increasing or reducing the Company’s registered capital, issuing bonds or other securities, and listing;
- vi. to formulate proposals for major acquisitions, repurchase of the Company’s shares, or merger, division, dissolution and change of corporate form of the Company;
- vii. within the scope of authorization from the general meeting, to decide on the Company’s external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, related party (connected) transactions, external donations and other matters;
- viii. to decide on the establishment of the Company’s internal management structure;

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- ix. to decide on the appointment or dismissal of the Company’s general manager, secretary to the Board of Directors and other senior management personnel, and to determine their remuneration, rewards and penalties; based on the nomination of the general manager, to decide on the appointment or dismissal of the Company’s deputy general managers, chief financial officer and other senior management personnel, and to decide on their remuneration, rewards and penalties;
- x. to formulate the basic management system of the Company;
- xi. to formulate proposals for amendments to the Company’s Articles of Association;
- xii. to manage the Company’s information disclosure matters;
- xiii. to propose to the general meeting the appointment or replacement of the accounting firm for the Company’s audit;
- xiv. to hear the work reports of the Company’s general manager and to inspect the general manager’s work;
- xv. other powers and functions granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association or the general meeting.

Matters exceeding the scope of authorization granted by the general meeting shall be submitted to the general meeting for deliberation.

The Board of Directors shall determine, among others, the authority for external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, connected transactions, external donations, and establish strict review and decision-making procedures; Except as otherwise provided in the securities regulatory rules of the place where the Company’s shares are listed, the Board of Directors shall have the right to review and approve the following matters:

- i. to review and approve (1) Share Transactions (including one-off transactions and a series of transactions for which the percentage ratios are required to be aggregated) where all percentage ratios as calculated in accordance with the provisions on percentage ratios under Rule 14.07 of the Hong Kong Listing Rules are less than 5% and the consideration includes shares proposed to be issued and listed, (2) Discloseable Transactions (including one-off transactions and a series of transactions for which the percentage ratios are required to be aggregated) of 5% or more but less than 25%, and (3) partially exempt Connected Transactions and non-exempt Connected Transactions (including one-off transactions and a series of transactions for which the percentage ratios are required to be aggregated) where all percentage ratios (other than the profits ratio) as calculated in accordance with the provisions on percentage ratios under Rule 14.07 of the Hong Kong Listing Rules are higher than 0.1% but less than 5%.

The transactions under this item include, but are not limited to: purchasing or selling assets; external investments (including entrusted wealth management, investments in subsidiaries, etc.); providing financial assistance (including entrusted loans, etc.); leasing in or leasing out assets; entrusting or being entrusted with the management of assets and businesses; gifting or receiving assets as gifts; debt or claim restructuring; transferring or receiving R&D projects; signing license agreements; waiving rights (including waiving rights of first refusal, pre-emptive rights to make capital contributions, etc.); other transactions identified by laws and regulations.

- ii. Other external investments, acquisition or disposal of assets, securities investments, entrusted wealth management, external guarantees, connected transactions, and external donations that are required to be reviewed and approved by the Board of Directors, or that

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the Board of Directors is authorized by the general meeting to review, in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed.

- iii. Any of the aforesaid matters within the powers and functions of the Board of Directors, or any transaction or arrangement of the Company, that requires approval by the general meeting under the securities regulatory rules of the place where the Company’s shares are listed, shall be submitted to the general meeting for approval.

A meeting of the Board of Directors may be held only if more than half of the directors are present. Unless otherwise stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association, a resolution of the Board of Directors must be passed by more than half of all directors. Voting on resolutions of the Board of Directors shall be conducted on the basis of one vote per person.

If a director has a related (connected) relationship with an enterprise or individual involved in a matter to be resolved at a Board meeting, the director shall promptly report this to the Board in writing. A related (connected) director shall not exercise voting rights on such resolution, nor shall he act as a proxy for other directors to exercise voting rights. Such Board meeting may be held if attended by more than half of the non-connected directors, and any resolution made at the Board meeting must be passed by more than half of the non-connected directors. If the number of non-related (connected) directors attending a Board meeting is less than 3, the matter shall be submitted to the general meeting for deliberation.

Independent Non-executive Directors

Independent non-executive directors shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, conscientiously perform their duties, play a role in participating in decision-making, supervising and balancing, and providing professional consultation in the Board of Directors, safeguarding the overall interests of the Company, and protecting the legitimate rights and interests of minority and small shareholders.

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

- i. persons holding positions in the Company or its affiliated businesses, and their spouses, parents, children or principal social connections;
- ii. a natural person shareholder who directly or indirectly holds 1% or more of the Company’s issued shares or is one of the top ten shareholders of the Company, and their spouse, parents, and children;
- iii. persons holding positions in a shareholder which directly or indirectly holds 5% or more of the Company’s issued shares, or in any of the top five shareholders of the Company, and their spouses, parents and children;
- iv. persons holding positions in an affiliated business of the Company’s controlling shareholder or de facto controller, and their spouses, parents and children;
- v. persons who have significant business dealings with the Company, its controlling shareholder, de facto controller or their respective affiliated businesses, or persons holding positions in an entity that has significant business dealings with the Company, or in the controlling shareholder or de facto controller of such an entity;

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- vi. persons who provide financial, legal, consulting, sponsorship or other services to the Company, its controlling shareholder, de facto controller or their respective affiliated businesses, including but not limited to all members of the project team of the intermediary firm providing such services, reviewers at all levels, signatories of any report, partners, directors, senior management and key persons-in-charge;
- vii. persons who have fallen under any of the circumstances listed in items (i) to (vi) of the preceding paragraph within the last 12 months;
- viii. other persons who lack independence as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

The affiliated business of the Company’s controlling shareholder or actual controller mentioned in items (iv) to (vi) of the preceding paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company and do not constitute a related (connected) relationship with the Company in accordance with relevant regulations.

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

To serve as an independent non-executive director of the Company, the following conditions shall be met:

- i. possessing the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company’s shares are listed;
- ii. meeting the independence requirements stipulated by the Articles of Association and the securities regulatory rules of the place where the Company’s shares are listed;
- iii. possessing basic knowledge of the operations of a listed company and being familiar with relevant laws, regulations and rules;
- iv. having more than five years of work experience in law, accounting, economics or other fields necessary for fulfilling the duties of an independent non-executive director;
- v. having good personal character and no record of major dishonesty or other adverse records;
- vi. other conditions stipulated by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

The Company shall establish a special meeting mechanism attended exclusively by independent non-executive directors. Matters such as related party (connected) transactions to be considered by the Board of Directors shall be subject to prior approval at a special meeting of independent non-executive directors. The Company shall convene special meetings of independent non-executive directors on a regular or ad hoc basis. The matters listed in items (i) to (iii) of the first paragraph of Article 132 and Article 133 of the Articles of Association shall be considered at a special meeting of independent non-executive directors. Special meetings of independent non-executive directors may, as needed, study and discuss other matters of the Company. There shall be one convener for the special meetings of independent non-executive directors, who shall be an independent non-executive director jointly elected by more than half of all independent non-executive directors and shall be responsible for convening and presiding over such meetings; if the convener fails to or is unable to perform his/her duties, two or more independent non-executive directors may convene the meeting themselves and elect a

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representative to preside. Minutes shall be kept for special meetings of independent non-executive directors in accordance with regulations, and the opinions of the independent non-executive directors shall be stated in the minutes. Independent non-executive directors shall sign and confirm the meeting minutes. The Company shall provide convenience and support for the convening of special meetings of independent non-executive directors.

Specialised Committees of the Board of Directors

The Board of Directors shall establish specialised committees such as the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the ESG Committee. Specialised committees shall perform their duties in accordance with the Articles of Association and as authorized by the Board of Directors, and their proposals shall be submitted to the Board for deliberation and approval. The rules of procedure for the specialised committees shall be formulated by the Board of Directors. All members of the specialised committees shall be directors. The Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee shall each comprise a majority of independent non-executive directors and be chaired by an independent non-executive director.

The Audit Committee of the Board of Directors shall exercise the powers of the board of supervisors as stipulated in the Company Law, as well as the powers stipulated by the securities regulatory rules of the place where the Company’s shares are listed. The Audit Committee shall consist of 3 members elected by the Board of Directors, who shall be directors not holding senior management positions in the Company and shall all be non-executive directors, the majority of whom shall be independent non-executive directors.

The Audit Committee shall hold a meeting at least once every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee may be held only if more than 2/3 of its members are present. A resolution of the audit committee shall be passed by more than half of the members of the audit committee. Voting on resolutions of the Audit Committee shall be conducted on the basis of one vote per person. Resolutions of the Audit Committee shall be recorded in meeting minutes in accordance with regulations, and the members of the Audit Committee present at the meeting shall sign the minutes.

Senior Management

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have deputy general managers, who shall be appointed or dismissed by the Board of Directors. The Company’s general manager, deputy general managers, chief financial officer, secretary to the Board of Directors and other persons expressly appointed by the Board of Directors as the Company’s senior management are the senior management of the Company.

The provisions of the Articles of Association regarding circumstances disqualifying a person from serving as a director and the regulations on resignation management shall also apply to senior management. The provisions of the Articles of Association regarding the duties of loyalty and diligence of directors shall also apply to senior management.

The term of office of the general manager shall be 3 years, and the general manager is eligible for re-appointment upon expiry of the term.

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

- i. to preside over the production, operation and management of the Company, to organise and implement the resolutions of the Board of Directors, and to report to the Board of Directors on their work;

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- ii. to organise and implement the Company’s annual business plans and investment proposals;
- iii. to formulate proposals for the establishment of the Company’s internal management structure;
- iv. to formulate the Company’s basic management system;
- v. to formulate the Company’s specific rules and regulations;
- vi. to propose to the Board of Directors the appointment or dismissal of the Company’s deputy general managers and chief financial officer;
- vii. to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- viii. other powers and functions 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 Company shall have a secretary to the Board of Directors, who is responsible for the preparation of general meetings and Board meetings, the custody of documents, the management of the Company’s shareholder information, and handling information disclosure and other matters.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the provisions of relevant state departments. Where the securities regulatory authorities of the place where the Company’s shares are listed provide otherwise, such provisions shall prevail.

The Company shall prepare its annual financial and accounting reports within 4 months from the end of each financial year and its interim financial and accounting reports within 2 months from the end of the first 6 months of each financial year. The aforesaid financial and accounting reports shall be prepared and announced in accordance with the provisions of relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed.

The Company shall not keep any other accounting books in addition to the statutory accounting books. The assets of the Company shall not be deposited in an account opened in the name of any individual.

When distributing its after-tax profits for the current year, the Company shall set aside 10% of its profits for the Company’s statutory reserve fund. If the accumulated amount of the Company’s statutory common reserve fund exceeds 50% of the Company’s registered capital, no further appropriation is required. If the Company’s statutory reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory reserve fund is appropriated in accordance with the preceding paragraph. After appropriating the statutory common reserve fund from its after-tax profits, the Company may, upon a resolution of the general meeting, also appropriate a discretionary common reserve fund from its after-tax profits. The after-tax profit of the Company remaining after making up for losses and making appropriations to the common reserve fund shall be distributed to shareholders in proportion to their respective shareholdings, save as otherwise provided for in laws and regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association. If the general meeting distributes profits to shareholders in violation of the PRC Company Law and the preceding paragraph, the shareholders shall return the improperly distributed profits to the Company. If losses are caused to

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the Company, the shareholders and the responsible directors and senior management shall be liable for compensation. The shares of the Company held by the Company itself shall not participate in profit distribution.

The company’s common reserve fund shall be used to make up for the company’s losses, expand the company’s production and operation, or be converted into an increase in the company’s capital. To make up for the Company’s losses with the common reserve fund, the discretionary common reserve fund and the statutory common reserve fund shall be used first; if they are still insufficient, the capital reserve may be used in accordance with the regulations. When the statutory common reserve fund is converted to increase the registered capital, the remaining amount of such fund shall not be less than 25% of the Company’s registered capital before the conversion.

The Company’s profit distribution shall place emphasis on reasonable investment returns for investors and maintain the continuity, reasonableness and stability of the policy, while also taking into account the Company’s actual operating conditions and long-term strategic development goals. The Company may distribute profits in cash, by shares, or by a combination of cash and shares; The profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company’s ability to operate as a going concern. Provided that the conditions for profit distribution are met, profit distribution shall in principle be carried out once every financial year. Interim cash dividends or stock dividends may also be distributed when necessary.

After the Company’s general meeting has passed a resolution on the profit distribution plan, or after the Company’s Board of Directors has formulated a specific plan based on the conditions and upper limit for the next year’s interim dividend approved by the annual general meeting, the distribution of dividends (or shares) must be completed within 2 months.

Internal Audit

The Company shall implement an internal audit mechanism, specifying the leadership structure, duties and powers, staffing, funding guarantees, application of audit results, and accountability for internal audit work. Such internal audit system shall be implemented upon approval by the Board of Directors and disclosed to the public.

The Company’s internal audit department shall supervise and inspect matters such as the Company’s business activities, risk management, internal control, and financial information.

The internal audit department is responsible to the Board of Directors. In the process of supervising and inspecting the Company’s business activities, risk management, internal control, and financial information, the internal audit department shall accept the supervision and guidance of the Audit Committee.

If the internal audit department discovers any relevant major issues or leads, it shall immediately report them directly to the Audit Committee.

Appointment of Accounting Firm

The Company shall engage an accounting firm that meets the requirements of the Securities Law, the Hong Kong Listing Rules and the other securities regulatory rules of the place where the Company’s shares are listed to conduct business such as auditing financial statements, verifying net assets, and providing other related consulting services. The term of appointment is 1 year and is renewable.

The appointment and dismissal of an accounting firm by the Company shall be decided by the general meeting. The Board of Directors shall not appoint an accounting firm before a decision is made by the general meeting.

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

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

When the Company dismisses or does not re-engage an accounting firm, it shall give 20 days' prior notice to the accounting firm and must send the circular proposing the dismissal or non-renewal of the accounting firm, together with any written representations from the accounting firm (if any), to the shareholders at least 10 business days before the general meeting. When the Company's general meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion. If an accounting firm proposes to resign, it shall explain to the general meeting whether there are any improprieties on the part of the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, Capital Reduction

A merger of the Company may take the form of a merger by absorption or a merger by new establishment. A merger in which one company absorbs another is a merger by absorption, and the absorbed company is dissolved. A merger in which two or more companies merge to form a new company is a merger by new establishment, and the merging parties are dissolved.

The Company may enter into a merger without a resolution of the general meeting if the consideration paid therefor does not exceed 10% of the Company's net assets, unless otherwise provided in the Articles of Association. If the Company merges in accordance with the preceding paragraph without a resolution of the general meeting, it shall be subject to a resolution of the Board of Directors.

For a merger of the Company, a merger agreement shall be signed by the merging parties, and a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the merger resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in newspapers recognised by the CSRC and the stock exchange of the place where the Company's shares are listed as designated by the Company, or on the National Enterprise Credit Information Publicity System and the HKEXnews website (www.hkexnews.hk). Creditors may, within 30 days from the date of receiving the notice, or for those creditors who have not received the notice, within 45 days from the date of the public announcement, request the Company to repay its debts or provide a corresponding guarantee. If the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with such relevant provisions.

In the event of a merger of the Company, the claims and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

In the event of a division of the Company, its assets shall be divided accordingly. The Company shall prepare a balance sheet and a list of assets, and shall, within 10 days from the date on which the division resolution is made, notify its creditors, and within 30 days, make a public announcement in newspapers recognised by the CSRC and the stock exchange of the place where the Company's shares are listed as designated by the Company, or on the National Enterprise Credit Information Publicity System and the HKEXnews website (www.hkexnews.hk).

The debts of the Company prior to the division shall be borne jointly and severally by the companies existing after the division. However, this shall not apply where a written agreement reached between the Company and its creditors regarding the repayment of debts prior to the division provides otherwise.

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When the Company needs to reduce its registered capital, it must prepare a balance sheet and a list of assets. The Company shall, within 10 days from the date on which the resolution for registered capital reduction is made by the general meeting, notify its creditors, and shall, within 30 days, make a public announcement in newspapers recognised by the CSRC and the stock exchange of the place where the Company's shares are listed as designated by the Company, or on the National Enterprise Credit Information Publicity System and the HKEXnews website (www.hkexnews.hk). Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, have the right to demand the Company to repay its debts or provide a corresponding guarantee. When the Company reduces its registered capital, it shall correspondingly reduce the capital contributions or shares of the shareholders in proportion to their respective shareholdings, unless otherwise provided by law or the Articles of Association.

Where the registered capital is reduced in violation of the PRC Company Law and other applicable provisions, shareholders shall return the funds they have received, and the original state shall be restored for any reduction or exemption of shareholders' capital contributions; if losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

In the event of a merger or division of the Company, if there is a change in the registered matters, an application for registration of such change shall be made to the company registration authority in accordance with the law; If the Company is dissolved, an application for cancellation of the Company's registration shall be made in accordance with the law; If a new company is established, an application for registration of the establishment of the company shall be made in accordance with the law. If the Company increases or reduces its registered capital, an application for registration of such change shall be made to the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- i. the term of operation stipulated in the Articles of Association expires or other grounds for dissolution stipulated in the Articles of Association arise;
- ii. a resolution for dissolution is passed by the general meeting;
- iii. dissolution is required due to a merger or division of the Company;
- iv. its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law;
- v. If the Company encounters serious difficulties in its operation and management, and its continued existence would cause substantial losses to the shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or more of all the voting rights of the Company may request a people's court to dissolve the Company.

Where the grounds for dissolution stipulated in the preceding paragraph arise for the Company, it shall, within 10 days, publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System.

Where the Company is subject to the circumstances described in items (i) or (ii) of the preceding paragraph, and has not yet distributed its assets to the shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the general meeting. The amendment of the Articles of Association in accordance with the preceding paragraph shall be subject to the approval by two-thirds or more of the voting rights held by the shareholders present at the general meeting.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATIONS

If the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) of the preceding paragraph, it shall be liquidated. The directors are the obligors for the liquidation of the Company and shall establish a liquidation committee to carry out the liquidation within 15 days from the date on which the grounds for dissolution arise. The liquidation committee shall be composed of directors, unless other persons are elected by a resolution of the general meeting. If the persons responsible for liquidation fail to perform their liquidation obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

The liquidation committee shall, within 10 days from the date of its establishment, notify the creditors, and shall, within 60 days, make a public announcement in the media designated by the Company or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the written notice, or for those who have not received the written notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee. When declaring their claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation committee shall register the claims. During the period for declaration of claims, the liquidation committee shall not make repayments to creditors.

After the liquidation committee has cleared up the Company’s assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people’s court for confirmation. The remaining assets of the Company, after paying, in sequence, the liquidation expenses, employees’ wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the Company’s debts, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings. During the liquidation period, the company shall continue to exist, but shall not engage in any business activities unrelated to the liquidation. The Company’s assets shall not be distributed to the shareholders before being used for repayment in accordance with the preceding paragraph.

After the liquidation committee has cleared up the Company’s assets and prepared the balance sheet and the list of assets, if it discovers that the Company’s assets are insufficient to repay its debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law. After the people’s court has accepted the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designated by the people’s court.

Upon completion of the Company’s liquidation, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the People’s Court for confirmation, and file it with the company registration authority to apply for the cancellation of the company’s registration and announce the termination of the Company.

Members of the liquidation committee, in performing their liquidation obligations, owe duties of loyalty and diligence. If members of the liquidation committee are negligent in performing their liquidation duties, causing losses to the company, they shall be liable for compensation; if they cause losses to creditors due to intent or gross negligence, they shall be liable for compensation. If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

- i. after the PRC Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- ii. the circumstances of the Company have changed, such that they are inconsistent with the matters recorded in the Articles of Association;

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATIONS

iii. the general meeting resolves to amend the Articles of Association.

Any amendment to the Articles of Association approved by a resolution of the general meeting that is subject to examination and approval by the competent authorities shall be submitted to the competent authorities for approval. if it involves matters subject to registration by the Company, the change of registration shall be effected in accordance with the law.