
APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

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As the main purpose of this Appendix is to provide investors with an overview of the Articles of Association, it may not contain all information that is important for investors.

SHARES

The Shares of the Company shall take the form of share certificates.

The Shares of the Company shall be issued in an open, fair and equal manner, each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Shares of a class in each issuance shall be subscribed for at the same price by any entity or individual.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase in Registered Capital

Based on its operating and development needs, the Company may, pursuant to the laws, regulations and the regulatory rules of the place where the Company’s Shares are [REDACTED], and with the approval by resolution at the shareholders’ general meetings, adopt the following methods to increase its registered capital:

- (I) issuance of Shares to unspecified parties;
- (II) issuance of Shares to specific parties;
- (III) distributing bonus Shares to existing shareholders;
- (IV) converting the reserve funds into additional share capital;
- (V) other methods approved by laws, administrative regulations, the regulatory rules of the place where the Company’s Shares are [REDACTED], and the relevant national competent authorities such as the CSRC.

Decrease in Registered Capital

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

Repurchase

The Company shall not repurchase its own Shares, save as under one of the following circumstances:

- (I) reducing the registered capital of the Company;
- (II) merging with other companies holding Shares of the Company;
- (III) using Shares for employee stock ownership plans or as equity incentives;

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- (IV) any requests for the Company to repurchase Shares from the shareholders who voted against the resolutions adopted at a shareholders’ general meeting on the merger or division of the Company;
- (V) using Shares for conversion of corporate bonds issued by the Company, which are convertible into Shares;
- (VI) as the Company considers necessary to safeguard the Company’s value and shareholders’ rights and interests;
- (VII) other circumstances as permitted by laws, administrative regulations, and the securities regulatory rules of the place where the Shares of the Company are [REDACTED].

Where the Company acquires its own Shares, the acquisition shall be conducted through a public and centralized trading method or other methods recognized by laws, administrative regulations, the regulatory rules of the place where the Company’s Shares are [REDACTED], and relevant national competent authorities such as the CSRC.

TRANSFER OF SHARES

Shares of the Company can be transferred in accordance with the law.

The Company shall not accept its Shares as security under a pledge.

The Shares issued prior to the public issue by the Company shall not be transferred within one year from the date when the Shares of the Company are [REDACTED] and traded at the stock exchange. In the event that there are any provisions under any laws, administrative regulations, the regulatory rules of the place where the Shares of the Company are [REDACTED], or any provisions under relevant national competent authorities such as the CSRC for the transfer of the Shares of the Company held by the shareholders or the actual controllers of the Company, such provisions shall prevail.

Directors and senior management of the Company shall report to the Company their shareholdings in the Company and the respective changes. During his/her term of office determined upon appointment, no Shares exceeding 25% of his/her total shareholding of the same class in the Company shall be transferred each year; and no transfer of Shares held by him/her shall be allowed within one year from the date when the Shares of the Company are [REDACTED] and traded. The aforesaid personnel shall not transfer the Shares of the Company held by him/her within half a year after leaving his/her office.

Any gains from the sale of the Company’s Shares or other securities with equity nature by Directors, senior management, and shareholders holding more than 5% of the Shares of the Company, within six months after their purchase of the same, and any gains from the purchase of the Shares or other securities with equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company and the Company’s Board of Directors shall recover such gains, except for the circumstance that a securities company holds more than 5% of the Company’s Shares as a result of purchase of the unsold underwritten Shares and other circumstances stipulated by the regulatory rules of the place where the Company’s Shares are [REDACTED] or the CSRC.

Shares or other securities with equity nature held by Directors, senior management and natural person shareholders as mentioned in the preceding paragraph include Shares or other securities with equity nature held by their spouses, parents or children, or held under other people’s accounts.

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In the event that the Board of the Company does not comply with the provisions of the preceding paragraph, the shareholders shall have the right to request the Board to enforce the provisions within 30 days. In the event that the Board fails to enforce the provisions within the aforementioned period, the shareholders shall have the right to directly bring an action at the people’s court in his/her own name for the benefit of the Company.

In the event that the Board of the Company does not comply with the provisions of the preceding paragraph, any Director who is liable for the matter shall assume joint and several liability under the law.

Shareholders

The Company shall establish its register of members in accordance with the certificates issued by the securities registration agency. The register of members shall be sufficient evidence of the shareholders’ shareholding in the Company. Shareholders shall enjoy rights and assume obligations in accordance with the class of Shares held by them. The Company shall ensure the register of holders of overseas-listed foreign shares be made available to shareholders free of charge within business hours at office of the authorized overseas agency. However, the Company is permitted to temporarily suspend the registration procedures for shareholders in accordance with provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Shareholders who hold Shares of the same class shall enjoy the equal rights and assume the equal obligations. The register of members shall record the following particulars:

- (I) the name and domicile of the shareholders;
- (II) the class and number of Shares subscribed by each shareholder;
- (III) the date on which each shareholder received the Shares;
- (IV) The Company shall sign a share custody agreement with the securities registration agency for the purpose of inspecting the information and shareholding changes (including share pledge) of substantial shareholders on a regular basis, in order to be informed of the shareholding structure of the Company in a timely manner.

The shareholders of the Company shall be entitled to the following rights:

- (I) the right to dividends and other distributions in proportion to the number of Shares held;
- (II) the right to lawfully request to hold, convene, preside over, attend or appoint a proxy to attend shareholders’ general meeting and to exercise the relevant voting right, unless individual shareholders are required by the securities regulatory rules of the place of listing or applicable laws and regulations to abstain from voting on individual matters;
- (III) the right to supervise the operations of the Company and to put forward proposals and raise inquiries;
- (IV) the right to transfer, donate or pledge Shares held by them in accordance with the laws, administrative regulations, the regulatory rules of the place where the Company’s Shares are [REDACTED], and provisions of the Articles of Association;

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- (V) to inspect and copy the Articles of Association, register of members, minutes of shareholders' general meetings, resolutions of meetings of the Board of Directors and financial accounting reports; shareholders who are in compliance with the provisions may inspect the Company's accounting books and accounting evidence;
- (VI) in the event of termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of Shares held;
- (VII) with respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or division of the Company, to request the Company to repurchase the Shares held by them;
- (VIII) other rights prescribed by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's Shares are [REDACTED], or the Articles of Association.

Where the content of a resolution of the shareholders' general meeting or the Board meeting of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the people's court to declare it invalid. If the convening procedures or voting methods of the shareholders' general meeting or the Board meeting violates laws, administrative regulations or the Articles of Association, or if a resolution violates the Articles of Association, the shareholders shall be entitled to request the people's court to revoke the resolution within 60 days from the date it is passed, except where there are only minor defects in the convening procedures or voting methods of the shareholders' general meeting and the Board meetings, which do not materially affect the resolutions.

Where there is a dispute among the Board of Directors, shareholders, or other relevant parties regarding the validity of a shareholders' general meeting resolution, they shall promptly initiate a lawsuit with the people's court. Before the people's court renders a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution of the shareholders' general meeting. The Company, Directors, and senior management shall earnestly perform their duties to ensure the normal operation of the Company. Upon the people's court rendering a judgment or ruling on relevant matters, the Company shall fulfil its information disclosure obligations in accordance with the laws, administrative regulations, the regulatory rules of the CSRC, and the place where the Company's Shares are [REDACTED], fully explain the impact, and actively cooperate with the enforcement after the judgment or ruling takes effect. Where it involves correcting prior matters, the Company shall promptly process and fulfil the corresponding information disclosure obligations.

The shareholders of the Company shall be obliged to:

- (I) comply with laws, administrative regulations and the Articles of Association;
- (II) contribute to the share capital according to the number of Shares subscribed and the method of subscription;
- (III) not to withdraw its contribution to share capital, except for the circumstances stipulated by laws and regulations, the regulatory rules of the place where the Company's Shares are listed, or as provided in the Articles of Association;
- (IV) not to abuse its rights as a shareholder against the interests of the Company or other shareholders, and not to abuse the legal personality of the Company and the limited liability of shareholders against the interests of creditors;

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- (V) other obligations in accordance with the laws, administrative regulations, the regulatory rules of the place where the Company’s Shares are listed, and the Articles of Association.

Shareholders of the Company who abuse their shareholder’s rights and thereby causing loss to the Company or other shareholders shall be liable for compensation according to the laws. Where shareholders of the Company abuse the independent status of legal person of the Company and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

The Controlling Shareholders and actual Controllers

The Controlling Shareholders and actual controllers of the Company shall exercise rights and perform obligations and safeguard the interests of the listed company in accordance with the laws, administrative regulations, and provisions of the CSRC, SFC and the Hong Kong Stock Exchange.

The Controlling Shareholders and actual controllers of the Company shall comply with the following provisions:

- (I) to exercise their rights as shareholders in accordance with the laws and not to abuse their control or use their related (connected) relationship to prejudice the legitimate interests of the Company or other shareholders;
- (II) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;
- (III) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure, and inform the Company in a timely manner of material events that have occurred or are intended to occur;
- (IV) not to appropriate the Company’s funds in any way;
- (V) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (VI) not to make use of the Company’s undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;
- (VII) not to prejudice the legitimate interests of the Company and other shareholders through unfair related (connected) transactions, profit distribution, asset restructuring, external investment or any other means;
- (VIII) to ensure the integrity of the Company’s assets and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;
- (IX) laws, administrative regulations, regulations of the CSRC and SFC, business rules of the Hong Kong Stock Exchange, and other requirements of the Articles of Association.

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If a Controlling Shareholder or actual controller of the Company does not act as a Director of the Company but actually executes the affairs of the Company, the provisions of the Articles of Association on the duties of loyalty and diligence of Directors shall apply.

Where a Controlling Shareholder or actual controller of the Company instructs a Director or senior management member to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the Director or senior management member.

A Controlling Shareholder or actual controller shall maintain control over the Company and the stability of its production operations if they pledge the Company's Shares held or effectively controlled by them. In the event of any transfer of the Company's Shares held by a Controlling Shareholder or actual controller, it shall comply with the restrictive provisions regarding the transfer of Shares stipulated under the laws, administrative regulations, regulations of the CSRC, SFC and the Hong Kong Stock Exchange, as well as the undertakings it has made in respect of restrictions on share transfer.

General Provisions of Shareholders' General Meetings

The shareholders' general meeting of the Company is composed of all shareholders. The shareholders' general meeting is the organ of the authority of the Company, which exercises the following functions and powers in accordance with laws:

- (I) to elect and replace Directors who are not representatives of the employees and decide on matters concerning Directors' remuneration;
- (II) to consider and approve reports of the Board;
- (III) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (IV) to make resolutions on the increase or decrease of the registered capital of the Company;
- (V) to make resolutions on the issuance of corporate bonds or any types of shares, warrants, and other similar securities, as well as the listing;
- (VI) to make resolutions on matters such as the merger, division, dissolution, liquidation, or change of corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to make resolutions on the appointment and dismissal of an accounting firm engaged in the audit work of the Company, as well as the determination of the firm's remuneration;
- (IX) to consider and approve the guarantees under Article 48 of the Articles of Association;
- (X) to consider matters relating to the purchases and disposals of material assets, which exceed 30% of the latest audited total assets of the Company, within one year;
- (XI) to consider and approve any change of the use of proceeds raised;
- (XII) to consider equity incentive plans and employee stock ownership plans; and

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- (XIII) to consider such other matters which shall be resolved at the shareholders’ general meetings as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s Shares are [REDACTED] or the Articles of Association, the rules of procedure for shareholders’ general meeting and the Company’s internal fundamental systems.

The shareholders’ general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds. Unless otherwise provided by laws, regulations, the securities regulatory rules of the place where the Company’s Shares are [REDACTED], and the Articles of Association, the powers of the above-mentioned shareholders’ general meeting shall not be exercised by the Board of Directors or any other institutions or individuals through authorization.

The following external guarantees by the Company is subject to the consideration and approval of the shareholders’ general meeting:

- (I) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiary(ies) exceeds 50% of the Company’s latest audited net assets;
- (II) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the Company’s latest audited total assets;
- (III) a guarantee provided by the Company to others within one year which exceeds 30% of the Company’s latest audited total assets;
- (IV) a guarantee provided to a party which has an asset-liability ratio in excess of 70%;
- (V) a single guarantee of an amount in excess of 10% of the Company’s latest audited net assets;
- (VI) any guarantee provided to the shareholders, the actual controllers and their related (connected) parties;
- (VI) external guarantee matters that require deliberation by the shareholders’ general meeting, as stipulated by laws, administrative regulations, rules, the securities regulatory rules of the place where the Company’s Shares are [REDACTED], and other normative documents, as well as the Company’s Administrative Policies for External Guarantees.

Convening of Shareholders’ General Meeting

The Board shall timely convene a shareholders’ general meeting within the timeframe as required. With the approval by a majority of all independent non-executive Directors, an independent non-executive Director has the right to propose to the Board to convene an extraordinary general meeting. In respect to the proposal by the independent non-executive Director for convening an extraordinary general meeting, the Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are [REDACTED], and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within five days after the Board resolution is passed.

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The Audit Committee has the right to propose to the Board in writing to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary general meeting within 10 days upon receipt of such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within five days after the relevant Board resolution is passed and consent of the Audit Committee shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days upon receipt of such proposal, the Board is deemed to be unable or to have failed to perform the duty of convening a shareholders' general meeting, in which case the Audit Committee may convene and preside over such meeting by itself.

Any shareholders individually or jointly holding 10% or more of the Shares of the Company have the right to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are [REDACTED], and the Articles of Association, furnish a written reply to such shareholders stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days upon receipt of such requisition.

In the event that the Board agrees to convene an extraordinary general meeting, a notice for convening such a meeting shall be given within 5 days after the relevant Board resolution is passed and consent of the relevant shareholders shall be obtained in case of any changes to the original requisition in the notice.

In the event that the Board disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days upon receipt of such requisition, shareholder(s) individually or jointly holding 10% or more of the Shares of the Company shall make a request in writing when proposing to the Audit Committee to convene the extraordinary general meeting.

In the event that the Audit Committee agrees to convene an extraordinary general meeting, a notice for convening such a meeting shall be given within 5 days upon receipt of such requisition and consent of the relevant shareholders shall be obtained in case of any changes to the original requisition in the notice.

In the event that the Audit Committee fails to issue any notice of a shareholders' general meeting within the prescribed period, the Audit Committee shall be deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or jointly holding 10% or more of the Shares of the Company for over 90 consecutive days may convene and preside over such a meeting in person.

If the Audit Committee or shareholders decide to convene the shareholders' general meeting by themselves, the Board shall be informed in writing, and it shall be filed with the securities regulatory authority in the place where the Company is registered and the place where the Company's Shares are [REDACTED] in accordance with applicable provisions (if required).

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The Audit Committee or the convening shareholders shall submit relevant supporting materials to the securities regulatory authority in the place where the Company is registered and the place where the Company's Shares are [REDACTED] in accordance with applicable provisions (if required) upon the issuance of the notice of the shareholders' general meeting and the announcement of the resolutions of the shareholders' general meeting.

Before the resolution of the shareholders' general meeting is announced, the shareholders convening the meeting shall hold no less than 10% of the Company's Shares.

The Board shall cooperate with the shareholders' general meetings convened by the Audit Committee or the shareholders on their own. The Board shall provide the register of members as at the record date.

The Company shall bear the expenses necessary for the shareholders' general meetings convened by the Audit Committee or the shareholders on their own.

Proposals and Notices of Shareholders' General Meetings

The content of the proposals shall be within the scope of the terms of reference of the shareholders' general meeting, have clear subjects and specific resolution matters, and shall comply with the relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are [REDACTED], and the Articles of Association.

When the Company convenes a shareholders' general meeting, the Board, the Audit Committee, and shareholders individually or jointly holding 1% or more of the Shares of the Company shall have the right to put forward proposals to the Company.

Shareholder(s) individually or jointly holding 1% or more of the Shares of the Company may submit written provisional proposals to the Board 10 days before the shareholders' general meeting is convened. The provisional proposals shall have clear subjects and specific resolution matters. The Board shall notify other shareholders within 2 days upon receipt of such proposals, and submit the provisional proposals to the shareholders' general meeting for consideration. However, provisional proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed, or the Articles of Association, or that do not fall within the terms of reference of the shareholders' general meeting, shall be excluded.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the shareholders' general meeting or add any new proposal after the shareholders' general meeting notice is issued.

The shareholders' general meeting shall not vote or make resolutions on proposals not listed in the shareholders' general meeting notice or proposals that do not satisfy the provisions prescribed in the Articles of Association.

If the Company convenes a shareholders' general meeting, the convener shall notify the shareholders at least 21 days prior to the convening of the annual general meetings, or at least 15 days prior to the convening of the extraordinary general meetings. Regarding the calculation of the notice period, the date of the meeting shall not be included.

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A notice of the shareholders’ general meeting shall include:

- (I) the time, venue, and duration of the meeting;
- (II) the matters and proposals to be put forward for consideration at the meeting;
- (III) a conspicuous statement that all shareholders are entitled to attend the shareholders’ general meeting, and the shareholders may appoint proxy(ies) in writing to attend and vote at the shareholders’ general meeting, and that such proxy(ies) need not be a shareholder(s) of the Company;
- (IV) the record date for determining the shareholders who are entitled to attend the shareholders’ general meeting;
- (V) names and telephone numbers of the standing contact persons who handle the meeting affairs;
- (VI) the time and procedure of voting via the internet or any other manner.

Any notice and supplementary notice of shareholders’ general meetings shall sufficiently and completely disclose specific contents of all proposals.

After the notice of the shareholders’ general meeting is issued, the shareholders’ general meeting shall not be adjourned or cancelled without a proper reason, and the proposals stated in the notice of the shareholders’ general meeting shall not be cancelled. In the case of any adjournment or cancellation of the meeting, the convener shall make a public announcement stating the reasons therefor at least 2 business days prior to the date originally scheduled for convening the meeting. Where the securities regulatory rules of the place where the Shares of the Company are [REDACTED] provide otherwise in respect of the procedures for adjournment or cancellation of a shareholders’ general meeting, such provisions shall prevail, provided that they do not contravene the regulatory requirements of mainland China.

Holding of Shareholders’ General Meetings

All shareholders of the Company registered on the record date or their proxies shall be entitled to attend the shareholders’ general meetings and exercise voting rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company’s Shares are [REDACTED], and the Articles of Association, except for individual shareholders who are required to abstain from voting on particular matters under the Hong Kong Listing Rules. Pursuant to the applicable laws and regulations and the listing rules of the place where the Company’s Shares are [REDACTED], where any Shareholder shall abstain from voting on any particular resolution or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction cast by such Shareholder or proxy thereof shall not be counted in the voting results.

Any shareholder entitled to attend and vote at a shareholders’ general meeting of the Company shall have the right to appoint a proxy (who need not be a shareholder of the Company) to represent him/her and vote on his/her behalf. Every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any shareholders’ general meeting of the issuer, and where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorized officer.

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The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (I) the right which the shareholder has to speak at the shareholders' general meeting;
- (II) the right to demand a poll alone or jointly with others;
- (III) save as otherwise stipulated by relevant laws, administrative regulations, the listing rules of the securities exchange where the Company's Shares are [REDACTED], or other securities laws and regulations, have the right to vote by show of hands or a poll.

If the shareholder is a Recognized Clearing House (or its agents) as defined in the relevant ordinances promulgated in Hong Kong from time to time, the shareholder may authorize one or more persons as he/she thinks fit to act as his/her representative(s) at any shareholders' general meeting. However, if more than one person is authorized, the power of attorney shall state the number and class of Shares in respect of which each such person is authorized and shall be signed by the authorized officer of a Recognized Clearing House. A person so authorized is entitled to attend and speak at meetings and exercise the rights on behalf of the Recognized Clearing House (or its agents) (without the need to produce a certificate of shareholding, notarized power of attorney, and/or further evidence of formal authorization), as if they were the individual shareholders of the Company. Such authorized person shall be entitled to the same statutory rights as other shareholders, including the right to speak and vote.

Individual shareholders attending the meeting in person shall present his/her identity document or other valid license or certificate that can prove his/her identity. Proxies appointed to attend the meeting shall present his/her valid identity document and power of attorney of shareholders.

A corporate shareholder shall attend the meeting by its legal representative or by proxies appointed by it. If a legal representative attends the meeting, he or she shall present his/her identity document and a valid certificate proving his/her qualification as a legal representative. Proxies appointed to attend the meeting shall present his/her identity document and written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law.

Shareholders of a partnership enterprise shall be represented at the meeting by the managing partner (the natural person), the delegate appointed by the managing partner, or a proxy entrusted by the managing partner. The managing partner (the natural person) or the delegate appointed by the managing partner attending the meeting shall present their personal identity document, valid documents that can prove its identity; proxies entrusted to attend the meeting shall present their personal identity document, the written proxy statement issued by the managing partner or the delegate appointed by the managing partner.

A power of attorney issued by a shareholder to entrust another person to attend the shareholders' general meeting shall set forth the following:

- (I) name or title of the principal, and the class and quantity of Shares held in the Company;
- (II) indications of whether speaking and voting power are granted;
- (III) name of the proxy;

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- (IV) the specific instructions of the shareholder, including instructions on vote for, against or abstain from voting on each matter to be considered at the shareholders' general meeting;
- (V) the issuing date and validity period of the power of attorney;
- (VI) signature (or seal) of the principal. If the principal is a legal person shareholder or a partnership shareholder, it shall be affixed with the seal of the legal person entity or partnership shareholder entity.

The power of attorney shall indicate whether the shareholder's proxy may vote on his/her own if the shareholders do not give specific instructions. Where the power of attorney appointing a proxy is signed by another person authorized by the principal, the power of attorney or other authorization documents authorized to be signed shall be notarized. The notarized power of attorney or other authorization documents and the instrument appointing a proxy shall be kept at the domicile of the Company or at other places designated in the notice of the meeting.

Where the shareholders' general meeting requires Directors and senior management to attend the meeting, such Directors and senior management shall attend and be subject to shareholders' inquiries.

The shareholders' general meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable to perform or fails to perform his/her duties, more than half of the Directors shall jointly elect a Director to preside over such meeting. A shareholders' general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable to perform or fails to perform his/her duties, more than half of the members of the Audit Committee shall jointly elect a member of the Audit Committee to preside over such meeting. A shareholders' general meeting convened by shareholders themselves shall be presided over by the representative elected by the convener.

When convening a shareholders' general meeting, the chairman of the meeting is in violation of these rules of procedures, causing the meeting to be unable to be continued, subject to the agreement by over half of the attending shareholders with voting rights at the meeting, the shareholders' general meeting may elect a person as chairman of the meeting and continue with the meeting.

Voting and Resolutions at Shareholders' General Meetings

The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions adopted by the shareholders' general meeting shall be passed by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting. Special resolutions adopted by the shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting.

The following resolutions shall be adopted as special resolutions at a shareholders' general meeting:

- (I) increase or reduction of registered capital of the Company;
- (II) division, split, merger, dissolution and liquidation of the Company;

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- (III) amendments to the Articles of Association;
- (IV) the major assets purchased or sold by the Company or the amount of guarantee provided to others within one year exceeding 30% of the Company’s latest audited total assets;
- (V) equity incentive plans;
- (VI) other matters through an ordinary resolution of the shareholders’ general meeting pursuant to the laws, administrative regulations, the securities regulatory rules of the place where the Company’s Shares are [REDACTED], or the Articles of Association which are determined to materially affect the Company and need to be approved by a special resolution.

Matters other than those required to be passed by special resolutions under the laws, administrative regulations, the regulatory rules of the place where Shares of the Company are [REDACTED] or the Articles of Association shall be passed by ordinary resolutions at shareholders’ general meetings.

When a shareholder (including his/her proxies) exercises his/her voting rights based on the number of voting Shares which he/she represents, each share shall entitle him/her to one vote. No voting rights shall attach to the Company Shares held by the Company, and such Shares shall not be counted among the total number of voting Shares present at a shareholders’ general meeting. If a shareholder buys voting Shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, such Shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six months after the purchase, and shall not be counted among the total number of voting Shares present at the shareholders’ general meeting.

Unless otherwise provided by the securities regulatory rules of the place where the Company’s Shares are [REDACTED], when the shareholders’ general meeting reviews matters relating to related (connected) transactions, the related (connected) shareholders shall not participate in the voting, and the number of Shares with voting rights represented by them shall not be counted in the total number of valid votes. The resolutions of the shareholders’ general meeting shall fully explain the votes by non-related (non-connected) shareholders.

DIRECTORS AND BOARD OF DIRECTORS

Directors

The Directors of the Company shall be natural persons. A person shall not serve as a Director of the Company if he/she falls under any of the following circumstances; a candidate shall not be nominated as a Director of the Company if he/she falls under any of the following circumstances:

- (I) a person who has no civil capacity or has limited civil capacity;
- (II) a person who has been imposed a penalty for the offense of corruption, bribery, embezzlement, larceny, disrupting the socialist economic order or has been deprived of political rights because of this conviction, where less than five years have elapsed since the expiry date of the sentence; in the case of probation, less than two years have elapsed since the expiry date of the probationary period;

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- (III) a person who is a director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated, was personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of bankruptcy and liquidation of such company or enterprise;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, where less than three years have elapsed since the date on which the business license of such company or enterprise was revoked or the date of such closure;
- (V) a person listed by the people's court as a dishonest judgment debtor, who has a relatively large sum of debt, which was not paid at maturity;
- (VI) a person who is prohibited by the CSRC from entering into the securities market, where the prohibition period has not expired;
- (VII) a person who is publicly identified by the stock exchange as unfit to serve as a Director or senior management of the Company, where the identification period has not expired;
- (VIII) any other person who is otherwise not eligible under laws, administrative regulations, or the securities regulatory rules of the place where the Company's Shares are [REDACTED] or departmental rules.

Where any Director is elected or appointed in violation of the provisions in this Article, the said election, appointment or engagement shall be invalid. Where any Director falls under any of the circumstances herein during his/her term of office, the Company shall remove him/her as a Director.

Non-employee Directors shall be elected or changed by the shareholders' general meeting, and can be removed before maturity of the term of office by the shareholders' general meeting; the employee Directors shall be elected by employees of the Company at the employee representatives' meeting or by other democratic means, and shall become members of the Board directly. The Company shall have one employee Director. The Directors shall have a term of three years and may be re-elected upon the expiration of the term of office.

The term of office of a Director shall commence on the date when he takes up the position until the expiry of the current term of the Board of Directors. If new Directors fail to be elected in a timely manner upon expiry of the term of Directors, the original Directors shall continue to perform the duty of Directors in accordance with laws, administrative regulations, department rules and the Articles of Association before the newly elected Directors take up the position.

Under the prerequisite of not violating the securities regulatory rules of the place of listing of the Shares of the Company, any person appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the Company's first annual general meeting after his/her appointment, and shall be eligible for re-election at that time.

Board of Directors

The Company shall establish a Board of Directors, which shall be accountable to the shareholders' general meeting. The Board of Directors shall consist of 9 Directors, including 1 chairman and 3 independent non-executive Directors among its members.

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

- (I) to convene shareholders' general meetings, and submit work reports to shareholders' general meetings;
- (II) to implement resolutions of shareholders' general meeting;
- (III) to determine business and investment plans of the Company;
- (IV) to formulate profit distribution plans and loss recovery plans of the Company;
- (V) to formulate proposals for the increase and reduction of registered capital, issuance of bonds or other securities, and the [REDACTED] of the Company;
- (VI) to formulate proposals for material acquisitions, purchase of Shares of the Company, or merger, division, dissolution and change of the corporate form of the Company;
- (VII) to decide, within the scope of the authorization of the shareholders' general meeting, the Company's external investment, acquisition and sale of assets, asset mortgage, external guarantees, entrusted wealth management, related (connected) transactions, external donations and other matters;
- (VIII) to make decisions on the establishment of internal management bodies of the Company;
- (IX) to appoint or dismiss the manager and other senior management members of the Company, and decide on their remuneration and matters relating to awards and penalty, and based on the manager's nominations to appoint or dismiss the deputy general manager, the chief financial officer or other senior management members of the Company and decide on their remuneration and matters relating to awards and penalty;
- (X) to formulate the basic management systems of the Company;
- (XI) to formulate proposals for any amendments to the Articles of Association;
- (XII) to manage the information disclosure of the Company;
- (XIII) to propose at shareholders' general meetings for the appointment or change of the accounting firms responsible for the auditing for the Company;
- (XIV) to hear the work reports of the manager and inspect the work of the manager of the Company;
- (XV) other powers conferred by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's Shares are [REDACTED], the Articles of Association, the Company's internal fundamental systems or the shareholders' general meeting.

The above matters shall be considered and approved by the Company's Board of Directors. Where required under the Company Law of the People's Republic of China and the Articles of Association, such matters shall be submitted to the shareholders' general meeting for consideration.

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Meetings of the Board of Directors shall be held only if more than half of the Directors are present. Any resolutions of the Board of Directors must be subject to adoption by a majority of all Directors. However, unless otherwise provided in the Articles of Association, such provisions shall prevail.

A Director shall have one vote when voting on a resolution of the Board of Directors.

Independent Non-Executive Directors

The independent non-executive Directors shall perform their duties conscientiously in accordance with the laws, administrative regulations, the provisions of the CSRC, SFC, the Hong Kong Stock Exchange, and the Articles of Association, play a role in decision-making, supervision, check and balance, and professional consultation in the Board of Directors, so as to safeguard the overall interests of the Company and protect the legitimate interests of the minority shareholders.

Independent non-executive Directors shall remain independent.

The following matters shall be submitted to the Board for deliberation after being approved by more than half of all independent non-executive Directors of the Company:

- (I) related (connected) transactions that shall be disclosed;
- (II) programs for change or waiver of commitments by the Company and relevant parties;
- (III) decisions made and measures taken by the Board of Directors of a listed company acquired in response to acquisition;
- (IV) other matters prescribed by laws, administrative regulations, the provisions of the CSRC and SFC, the securities regulatory rules of the place where the Shares of the Company are [REDACTED], and the articles of association.

The Company shall hold special meetings of independent non-executive Directors on a regular or irregular basis. Matters set forth in Item (I) to Item (III) of the first paragraph of Article 131 and Article 132 hereof shall be subject to deliberation by special meetings of independent non-executive Directors.

Special Committees of the Board of Directors

The Board of Directors of the Company shall establish an Audit Committee to exercise the functions and powers of the Supervisory Committee as stipulated by the Company Law and other functions and powers as specified in the relevant working regulations. The Audit Committee shall be composed of three non-executive Directors not serving as senior management of the Company, among whom independent non-executive Directors shall constitute the majority, with the convener (chairperson) being an accounting professional among the independent non-executive Directors.

The Board of Directors of the Company shall establish a Nomination Committee and a Remuneration Committee to perform their duties in accordance with the Articles of Association and the authorization by the Board of Directors. Proposals by special committees shall be submitted to the Board of Directors for consideration and decision. The working regulations for special committees shall be formulated by the Board of Directors.

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General Manager and other Senior Management

The Company shall have one general manager who shall be appointed or dismissed by the Board. The Company shall have several deputy general managers who shall be appointed or dismissed by the Board. The Company's general manager, deputy general managers, and chief financial officer are senior management members of the Company.

The tenure of office for the general manager shall be three years and is renewable upon reappointment.

The general manager is accountable to the Board of Directors and exercises the following functions and powers:

- (I) To be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report to the Board of Directors;
- (II) To organize the implementation of the Company's annual business plans and investment plans;
- (III) To formulate plans for the establishment of the Company's internal management institutions;
- (IV) To formulate the Company's basic management systems;
- (V) To formulate the rules and regulations of the Company;
- (VI) To propose to the Board of Directors the appointment or dismissal of the deputy general manager and chief financial officer of the Company;
- (VII) To decide on the appointment or dismissal of the management officers other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) To decide on other relevant matters other than those that are subject to the approval by the shareholders' general meeting or the Board of Directors under the Articles of Association;
- (IX) Other functions and powers conferred by the Articles of Association, the working regulations for the Company's general manager or the Board of Directors.

The general manager may attend meetings of the Board of Directors.

Financial and Accounting Systems and Profit Distribution

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the provisions stipulated by the relevant national authorities, as well as the securities regulatory rules of the place where the Company's Shares are [REDACTED].

The Company shall not maintain books of accounts other than those provided for by law. No funds of the Company shall be deposited into any account opened in the name of any individual.

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In distributing the after-tax profits of the current year, the Company shall allocate 10% of such profits into its statutory reserve funds. When the accumulative amount of the statutory reserve funds of the Company is 50% or more of its registered capital, further allocations are not required. Where the statutory reserve funds of the Company are insufficient to make up for the losses of the previous years, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph. After the allocation of its after-tax profits to its statutory reserve funds, the Company may also, by resolutions of the shareholders' general meeting, allocate its after-tax profits to its discretionary reserve funds. After making up for the losses and making allocations to the reserve funds, any remaining after-tax profits shall be distributed by the Company to its shareholders in proportion to their respective shareholdings unless all the shareholders unanimously agree or the Articles of Association stipulates that such distribution shall not be made in proportion to the shareholdings.

If the Company has, in violation of the Company law and provisions set out in the Articles of Association, distributed profits to shareholders, the shareholders shall return to the Company the profit distributed in violation of the provisions. If the Company incurs losses due to such distribution, the shareholders and the Directors and senior management who are held accountable shall be liable for compensation.

The Company's Shares held by the Company are not entitled to any profit distribution.

The reserve funds of the Company shall be applied for making up for the losses of the Company, expansion of the Company's production and operation, or converting into an increase in the registered capital of the Company. When applying the reserve funds to make up for the Company's losses, the discretionary reserve funds and the statutory reserve funds shall be used first; if such funds are still insufficient to make up for losses, the capital reserve funds may be applied in accordance with relevant provisions. Where the statutory reserve funds are converted into an increase in the registered capital, the balance of the reserve funds shall not fall below 25% of the Company's registered capital prior to such conversion.

Where a resolution in relation to distribution of profits is made at the shareholders' general meeting, the Board of Directors shall complete the distribution of dividends (or Shares) within two months from the date of the resolution of the shareholders' general meeting.

The Company's profit distribution policy is as follows:

- (I) The profit distribution by the Company shall remain continuous and stable, with due emphasis on the actual interests of shareholders and the long-term interests of the Company;
- (II) Proposals on the adjustments to the profit distribution policy shall be submitted to the Company's shareholders' general meeting for approval upon the consideration by the Company's Board of Directors;
- (III) The Company shall distribute dividends in the form of cash, Shares or a combination of both; the Company may, subject to relevant conditions being satisfied, distribute interim cash dividends;
- (IV) The Company shall not distribute more than the accumulated distributable profits in a manner that impairs the Company's ability to continue as a going concern.

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Internal Audit

The Company may adopt an internal audit system and designate full-time auditors to carry out internal audit supervision of the Company’s financial income and expenditure and economic activities.

The Company’s internal audit systems and the responsibilities of its auditors shall be implemented upon approval by the Board of Directors. The head of audit shall be accountable to and reports to the Board of Directors. The Company’s internal audit institution shall monitor and inspect the Company’s business activities, risk management, internal control, financial information and other matters.

The internal audit institution shall be subject to the supervision and guidance by the Audit Committee in the monitoring and inspection of the Company’s business activities, risk management, internal control and financial information. Any relevant significant problems or clues identified by the internal audit institution shall be directly reported to the Audit Committee without delay.

Appointment of Accounting Firm

The Company shall appoint an accounting firm that complies with the Securities Law of the People’s Republic of China and the regulatory rules of the place where the Company’s Shares are [REDACTED] to conduct audits of accounting statements, verification of net assets, and other related consulting services, etc., with a term of one year, which is renewable.

The Company’s appointment and dismissal of an accounting firm that conducts the Company’s audit work shall be decided by the shareholders’ general meeting. The Board of Directors shall not appoint an accounting firm prior to the decision made by the shareholders’ general meeting.

The Company shall ensure the provision of true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the appointed accounting firm without any refusal, concealment or misrepresentation.

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company.

In case of merger by absorption, a company absorbs any other company and the absorbed company shall be dissolved. In case of merger by a new establishment, two or more companies merge into a new one and the parties to the merger shall be dissolved.

In the event of a merger between the Company and a company in which it holds more than 90% of the shares, the merged company shall not be subject to a resolution at the shareholders’ general meeting. However, other shareholders shall be notified and shall have the right to request the Company to acquire their equity or Shares at a reasonable price.

Unless otherwise stipulated in the Articles of Association, where the price paid for the merger by the Company does not exceed 10% of the Company’s net assets, a resolution at the shareholders’ general meeting may be waived. For mergers conducted pursuant to the preceding two paragraphs without a resolution at the shareholders’ general meeting, a resolution of the Board of Directors shall be required.

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If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of the resolution for the merger and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. Such creditors may, within 30 days upon the receipt of the notice or, in case he/she fails to receive such notice within 45 days from the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts. When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and a property list shall be prepared. The Company shall notify its creditors within 10 days from the date of the resolution for the division and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. Unless otherwise agreed in a written agreement entered into by the Company and its creditors prior to the division in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date on which a resolution to reduce the registered capital is made at the shareholders' general meeting and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. Such creditors may, within 30 days upon the receipt of the notice or, in case he/she fails to receive such notice within 45 days from the date of the announcement, demand the Company to repay its debts or provide guarantees for such debts.

Where the Company reduces its registered capital in violation of the Company Law, the shareholders shall return the funds they have received, and any reduction in shareholder contributions shall revert to the original state. Where such reduction causes losses to the Company, the shareholders and Directors and senior management who are held accountable shall be liable for compensation.

In the event of a merger or division of the Company, any changes to the registration information shall be registered with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration procedures in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

- (I) the expiry of the term of business provided in the Articles of Association or the occurrence of any other cause of dissolution as specified therein or as unanimously agreed upon by all shareholders;
- (II) a resolution on dissolution is passed by a shareholders' general meeting;
- (III) dissolution is required due to the merger or division of the Company;

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- (IV) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the law;
- (V) where the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, which cannot be resolved through other means, shareholders holding 10% or above of the total voting rights of the Company petition the people's court to dissolve the Company and the people's court dissolves the Company.

In the event that the Company has any of the dissolution causes as prescribed in the preceding paragraph, it shall disclose the causes of dissolution through the National Enterprise Credit Information Publicity System within 10 days. Where the Company falls under the circumstances specified in item (i) and (ii) of Paragraph 1 of Article 187 of the Articles of Association and has not distributed its assets to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders' general meeting.

Where the Articles of Association are amended pursuant to the preceding paragraph or a resolution is made at the shareholders' general meeting, it shall be adopted by shareholders holding more than two-thirds of the voting rights present at the shareholders' general meeting.

Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) of Paragraph 1 of Article 187 of the Articles of Association, it shall be liquidated. The Directors shall be the liquidation obligors of the Company and shall establish a liquidation committee to carry out the liquidation within 15 days from the date on which the cause of dissolution occurs.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days from that date. Such creditors shall, within 30 days upon the receipt of the notice or, in case he/she fails to receive such notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

Such creditors shall provide explanations and evidence for their claims in their declarations of such claims. The liquidation committee shall record creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during the period of claim declaration.

Amendments to the Articles of Association

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

- (I) after amendments are made to the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Shares of the Company are [REDACTED], the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the Shares of the Company are [REDACTED];
- (II) changes occur in the Company, resulting in inconsistency with the matters set out in the Articles of Association;
- (III) the shareholders' general meeting has resolved to amend the Articles of Association.

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Where the amendments to the Articles of Association passed by resolutions of the shareholders’ general meetings require the approval of the competent authorities, such amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration items of the Company, such changes shall be registered in accordance with the law.

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