

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix contains a summary of the principal provisions of the Articles of Association adopted by the Company on December 25, 2025, which will become effective on the date on which the H Shares are [REDACTED] on the Hong Kong Stock Exchange. The main purpose of this Appendix is to provide potential [REDACTED] with an overview of the Articles of Association of the Company, and therefore it may not contain all the information that is important for potential [REDACTED].

GENERAL PROVISIONS

The shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company’s organization and conduct as well as the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management personnel. Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders, against directors and senior management personnel of the Company, and against the Company, while the Company may institute legal proceedings against shareholders, directors and senior management personnel.

PURPOSE AND SCOPE OF BUSINESS

The Company’s business scope, as registered by law, is licensed activities: pharmaceutical manufacturing; pharmaceutical wholesale; pharmaceutical retail; pharmaceutical import and export. (activities subject to statutory approval may only be conducted upon obtaining relevant departmental authorisation; specific business activities shall be governed by the relevant departmental approval documents or permits.) general activities: biotechnology (excluding human stem cell research, gene diagnosis and therapeutic technology development and application); technology development, technical services, technology transfer, technical exchange, technology promotion, and technical services within the pharmaceutical and medical technology sectors. (except for items subject to approval in accordance with the law, business activities may be conducted independently in accordance with the law based on the business licence.)

SHARES

Issuance of Shares

The Company’s shares are in the form of registered stock. The issuance of the Company’s shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights. Shares of the same class issued at the same time have the same issuance conditions and price; subscribers subscribing to the shares pay the same amount per share.

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders’ meeting:

- (i) issuing shares to non-specific objects;
- (ii) issuing shares to specific objects;
- (iii) allotting bonus shares to existing shareholders;
- (iv) converting capital reserve into share capital; and
- (v) other methods approved by laws, administrative regulations, the CSRC, the relevant securities regulatory authorities of the Company’s stock listing place.

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The Company may reduce its registered capital. The reduction of the Company’s registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not repurchase its own shares, except under any of the following circumstances:

- (i) to reduce the Company’s registered capital;
- (ii) to merge with another company holding the Company’s shares;
- (iii) to use the shares for employee stock ownership plans or equity incentives;
- (iv) to repurchase shares from shareholders who object to the resolutions on the Company’s merger or division made by the Shareholders’ meeting;
- (v) to use the shares for converting corporate bonds issued by the Company into shares;
- (vi) as necessary to safeguard the Company’s value and the rights and interests of shareholders.

The Company may repurchase its own shares through public centralized trading, or other methods recognized by laws, regulations, the CSRC and the stock exchange and the securities regulatory authorities of the Company’s stock listing place.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) above, a resolution shall be passed at the Shareholder’s meeting of the Company. Where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, on the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed, a resolution shall be passed at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the Shareholder’s meeting.

On the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed, where the Company repurchases its shares under the circumstances set out in item (i) above, such shares shall be cancelled within 10 days from the date of repurchase; where the Company repurchases its shares under the circumstances set out in items (ii) and (iv) above, such shares shall be transferred or cancelled within 6 months; where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

The repurchase of its shares by the Company under the circumstances set out in items (iii), (v) and (vi) above shall be conducted through public centralized trading.

Transfer of Shares

The Company’s shares shall be transferred in accordance with laws, regulations, the Articles of Association, and the regulations of the securities regulatory authorities and stock exchanges of the Company’s stock listing place. All transfers of H shares shall be effected by written transfer documents in a general or standard format or any other format acceptable to the Board of Directors (including the standard transfer format or transfer form prescribed from time to time by the Hong Kong Stock Exchange); such transfer documents may only be executed by handwritten signature or by affixing the company’s valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (as defined by the relevant regulations in force from

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time to time under Hong Kong law) or its agent, the transfer document may be signed in handwritten or machine-printed form. All transfer documents shall be kept at the company’s registered office or at any other address designated from time to time by the board of directors.

A shares issued before the Company’s listing of A Shares on the STAR Market shall not be transferred within one year from the date the Company’s A Shares are listed and traded on the STAR Market.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company’s shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

Directors, senior management members, and shareholders who hold more than 5% of the Company’s shares shall not sell the Company’s shares or other equity securities they hold within six months after purchase, or purchase the Company’s shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company’s Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company’s shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities of the Company’s stock listing place. The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people’s accounts.

If the Company’s Board of Directors fails to execute the provisions of the previous paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people’s court in the name of the Company for the benefit of the Company. If the Board of Directors fails to execute the provisions of the previous paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders’ ownership of the Company’s shares. The original copy of the H share register of shareholders listed in Hong Kong shall be kept in Hong Kong for shareholders’ inspection. In the event of any inconsistency between the original and duplicate copies of the H share shareholder register, the original shall prevail. However, the Company may suspend the processing of shareholder registration procedures in accordance with applicable laws and regulations, the securities regulatory rules of the place where the Company’s shares are listed, and provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold. Shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations.

Any shareholder who is registered in the H-share shareholder register or any person who requests to have their name or title registered in the H-share shareholder register may apply to the company for the issuance of new shares to replace lost shares. H-share shareholders who apply for the issuance of new shares due to lost shares may do so in accordance with the laws of the place where the original H-share shareholder register is kept, the rules of the securities exchange, or other relevant regulations.

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Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution in proportion to the numbers of shares they hold;
- (ii) To request to convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders’ meeting and exercise corresponding voting rights, unless required by the Hong Kong Listing Rules to abstain from voting on specific matters;
- (iii) To supervise the Company’s operations and make suggestions or inquiries;
- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders’ meetings, resolutions of the Board of Directors, financial reports, and the accounting books and vouchers of the Company if they meet the requirements;
- (vi) To participate in the distribution of the Company’s remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they object to the resolutions on the Company’s merger or division made by the Shareholders’ meeting;
- (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 requesting to inspect and copy the Company’s relevant materials shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws and administrative regulations.

Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association;
- (ii) To pay the share price according to the shares they subscribe for and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company’s independent legal person status and shareholders’ limited liability to damage the interests of the Company’s creditors;
- (v) Other obligations stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

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

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Controlling Shareholders and Actual Controllers

The Company’s Controlling Shareholders under A Share listing rules and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules where the Company’s shares are listed, and shall safeguard the interests of the company.

The Company’s Controlling Shareholders under A Share listing rules and actual controllers shall comply with the following provisions:

- (i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;
- (ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;
- (iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) Not to occupy the Company’s funds in any way;
- (v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) Not to use the Company’s undisclosed major information to seek benefits, not to disclose the Company’s undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;
- (vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) To ensure the Company’s asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company’s independence in any way;
- (ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company’s stock listing place, and the Articles of Association.

If the Company’s Controlling Shareholders under A Share listing rules or actual controllers do not serve as Directors of the Company but actually execute the Company’s affairs, the provisions of the Articles of Association on Directors’ duties of loyalty and diligence shall apply.

If the Company’s Controlling Shareholders under A Share listing rules or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders’ Meeting

The Shareholders’ meeting of the Company shall comprise all the shareholders. The Shareholders’ meeting acts as the Company’s organ of authority and shall exercise the following powers according to law:

- (i) To elect and replace Directors who are not employee representatives, and decide on matters related to Directors’ remuneration;

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- (ii) To examine and approve the Board of Directors' report;
- (iii) To examine and approve the Company's profit distribution plan and loss recovery plan;
- (iv) To make resolutions on the Company's increase or decrease of registered capital;
- (v) To make resolutions on the issuance of corporate bonds;
- (vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business;
- (ix) To examine and approve the external guarantee matters stipulated in Article 49 of the Articles of Association;
- (x) To examine and approve matters related to the Company's purchase or sale of major assets within one year where the total asset value or transaction amount exceeds 30% of the Company's total assets as audited in the latest period;
- (xi) To examine and approve changes in the use of raised funds;
- (xii) To examine and approve equity incentive schemes and employee stock ownership plans;
- (xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

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

The external guarantee behaviors of the Company must be reviewed and approved by the Board of Directors. The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting after being reviewed and approved by the Board of Directors:

- (i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the audited financial statements in the latest period;
- (ii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
- (iii) Any guarantee provided within one year to others with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;
- (iv) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;
- (v) Any guarantee provided to shareholders, actual controllers, and their related parties;
- (vi) Other guarantee circumstances stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (iii) of the previous article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee

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provided to shareholders, actual controllers, and their related parties, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

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

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting.

With the consent of more than half of all independent Directors, independent Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and add a proposal to the agenda of the Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws,

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administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of the Company's total share capital separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required). Before the announcement of the Shareholders' meeting resolution, the total shareholding ratio of the convening shareholders shall not be less than 10% of the total share capital. The Audit Committee or convening shareholders shall submit relevant proof materials to relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required) when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the rules stipulated by the securities regulatory authorities of the Company's stock listing place, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total share capital separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total share capital separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

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

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Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

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

The notice of the Shareholders' meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;
- (iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the Shareholders' meeting;
- (v) The name and telephone number of the standing contact person for the meeting;
- (vi) The time and procedure for voting by network or other means.

Convening of the Shareholders' Meeting

All shareholders registered on the record date or their proxies are entitled to attend the Shareholders' meeting, speak and vote in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the aforementioned rules).

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend and vote on their behalf. If a shareholder is a recognized clearing house (or its agent), that shareholder may authorise its corporate representative or one or more persons it deems appropriate to act as its proxy at any shareholders' meeting.

Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder. Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder.

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

- (i) The name or title of the principal and the category and quantity of shares held;
- (ii) The name or title of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate seal or the partnership seal shall be affixed.

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If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting. If the shareholder is a recognized clearing house (or its agent), the shareholder may authorise one or more persons whom it deems appropriate to act as its representative at any shareholders' meeting or creditors' meeting; however, if more than one person is authorised, the authorisation letter shall specify the number and class of shares covered by the authorisation for each such person, and the authorisation letter shall be signed by an authorised representative of the recognized clearing house. Persons authorised in this manner may exercise rights on behalf of the recognized clearing house (or its agent) without the need to present shareholding certificates, notarised authorisations, and/or further evidence to prove their formal authorisation, and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such persons were individual shareholders of the company.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

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

Voting and Resolutions of the Shareholders' Meeting

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

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

- (i) The work report of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of board members and their remuneration and payment methods;
- (iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

- (i) The increase or decrease of the Company's registered capital;
- (ii) The division, split, merger, dissolution, and liquidation, or alteration of corporate form of the Company;

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- (iii) Amendments to the Articles of Association;
- (iv) The Company’s purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company’s total assets as of the latest audited financial statements within one year;
- (v) Share incentive plans;
- (vi) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the Company’s stock listing place or the Articles of Association, as well as matters that the Shareholders’ meeting deems to have a significant impact on the Company and require a special resolution.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote. Subject to applicable laws and regulations, shareholders (including shareholder proxies) with two or more votes may cast all of their votes in favour or against a resolution.

The Company’s own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders’ meeting.

When the Shareholders’ meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

If a shareholder purchases the Company’s voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the PRC Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders’ meeting.

In accordance with relevant laws, regulations, and securities regulatory rules where the company’s shares are listed, if any shareholder is required to abstain from voting on a relevant proposal, or if any shareholder is restricted to voting only in favour of or against a designated proposal, then any votes cast by such shareholder or its representative in violation of the aforementioned provisions or restrictions shall not be counted in the voting results.

The Company’s Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the CSRC may publicly solicit shareholders’ voting rights. The solicitation of shareholders’ voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders’ voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders’ meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the Shareholders’ meeting resolution shall fully disclose the voting situation of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors and independent Directors. Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;

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- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing insolvency liquidation and being personally liable for the insolvency of such company or enterprise, and less than 3 years have elapsed since the completion of the insolvency liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;
- (vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;
- (vii) Having been subject to publicly recognized by the stock exchange as unsuitable to serve as a director, senior management, and so forth of a listed company for an unexpired period of time;
- (viii) Other circumstances stipulated by laws, administrative regulations, and departmental rules.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Neither a Director nor an alternate Director is required to hold any shares in the Company by ways of qualification. Further, there are no provision in Articles of Association relating to retirement of Directors upon reaching any age limit.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information as soon as practicable (no later than two trading days). If the resignation of a Director results in the number of board members falling below the statutory minimum, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

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Board of Directors

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

- (i) convening the Shareholders' meeting and reporting to the Shareholders' meeting;
- (ii) implementing the resolutions of the Shareholders' meeting;
- (iii) deciding on the Company's business plans and investment proposals;
- (iv) formulating the Company's profit distribution plans and loss recovery plans;
- (v) formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or proposals on other securities and listing;
- (vi) drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;
- (vii) deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the Shareholders' meeting;
- (viii) deciding on the establishment of the Company's internal management structure;
- (ix) deciding on the appointment or dismissal of the general manager, secretary of the Board, and other senior management members, and determining their remuneration and reward or punishment; based on the general manager nomination, deciding on the appointment or dismissal of the vice presidents, chief financial officer, and other senior management members, and determining their remuneration and reward or punishment;
- (x) formulating the Company's basic management systems;
- (xi) drafting amendments to the Articles of Association;
- (xii) managing the Company's information disclosure matters;
- (xiii) proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiv) listening to the work reports of the general manager and reviewing the general manager's work; and
- (xv) other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Shareholders' meeting.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall have one chairman. The chairman shall be elected by a majority vote of all Directors and shall serve a term of three years, with eligibility for reelection.

The chairman shall exercise the following powers and duties:

- (i) presiding over the Shareholders' meeting and convening and presiding over board meetings;

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- (ii) supervising and inspecting the implementation of board resolutions; and
- (iii) other powers and duties granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings shall be convened in writing, with notice provided to all Directors at least five days before the meeting. With the unanimous consent of all Directors of the Company, the notice period for convening an extraordinary board meeting may be shortened or waived.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting. Independent Directors shall not delegate their voting rights to non-independent directors.

Independent Directors

Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules of the place where Company's shares are listed, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

The proportion of independent Directors among the members of the Board of Directors shall not be less than one-third, and shall comply with the requirements of the securities regulatory rules of the place where the Company's shares are listed.

Independent Directors must maintain independence. The following persons shall not serve as independent Directors:

- (i) persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;
- (ii) natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

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- (iii) persons employed by shareholders who directly or indirectly hold more than 5% of the Company’s issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;
- (iv) persons employed by affiliated enterprises of the Company’s Controlling Shareholders under A Share listing rules or actual controllers, as well as their spouses, parents, and children;
- (v) persons who have significant business dealings with the Company, its Controlling Shareholders under A Share listing rules, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders under A Share listing rules or actual controllers;
- (vi) persons who provide financial, legal, consulting, or sponsorship services to the Company, its controlling shareholders under A Share listing rules, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;
- (vii) persons who have had any of the above-mentioned circumstances within the past 12 months;
- (viii) other persons deemed not independent under laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company’s stock listing place, or the Articles of Association.

Independent Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent Directors and issue a special opinion, which shall be disclosed together with the annual report.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all the independent Directors:

- (i) connected party transactions that require disclosure;
- (ii) proposals for the Company and related parties to change or waive commitments;
- (iii) decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition; and
- (iv) other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent Directors. Matters such as related party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent Directors. The Company holds special meetings of independent Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 121 and Article 131 of the Articles of Association shall be reviewed by the special meeting of independent Directors. The special meeting of independent Directors may discuss other matters of the Company as needed.

Special Committees under the Board

The Company’s Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

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The Audit Committee shall comprise more than three members, all of whom must be non-executive directors, of whom the majority must be independent directors, at least one of whom must be an independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise, with the chairperson (convener) being an independent Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

- (i) disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) appointment or dismissal of the accounting firm auditing the listed company;
- (iii) appointment or dismissal of the Company's chief financial officer;
- (iv) changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards; and
- (v) other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the Audit Committee shall require the approval of more than half of its members. Each member shall have one vote in Audit Committee resolutions. Minutes of Audit Committee meetings shall be prepared, and attending members shall sign the minutes. The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, such as the Strategic Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Independent directors should constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee and serve as conveners. Proposals of these committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, also known as the chief executive officer, who shall be appointed or dismissed by the Board of Directors. The company shall appoint several vice presidents, who shall be hired or dismissed by the Board of Directors. The chief executive officer, vice presidents, chief financial officer, and secretary of the Board shall constitute the senior management of the Company.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the regulations on departure management shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

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The chief executive officer shall be accountable to the Board of Directors and shall exercise the following powers and duties:

- (i) presiding over the Company’s production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) implementing the Company’s annual business plans and investment proposals;
- (iii) drafting proposals for the establishment of the Company’s internal management structure;
- (iv) drafting the Company’s basic management systems;
- (v) formulating the Company’s specific regulations;
- (vi) proposing to the Board of Directors the appointment or dismissal of the vice presidents, chief financial officer and other senior management;
- (vii) deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors; and
- (viii) other powers and duties granted by the Articles of Association or the Board of Directors.

The chief executive officer shall attend meetings of the Board of Directors.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the provisions of relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange where the Company’s shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange where the Company’s shares are listed. The Company shall submit and disclose its quarterly report in accordance with the regulations of the stock exchange where the Company’s shares are listed.

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

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

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association. If the Shareholders’ meeting violates the PRC Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company’s own shares held by the Company shall not participate in the distribution of profits.

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

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company’s internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Engagement of Accounting Firms

The Company shall engage an accounting firm that complies with the PRC Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders’ meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders’ meeting.

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

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

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders’ meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions. If the accounting firm resigns, it shall explain to the Shareholders’ meeting whether there are any improper circumstances in the Company.

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

Merger, Division, Capital Increase, and Capital Reduction

The Company’s merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (www.hkexnews.hk) or other qualified medias within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees. When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

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When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (www.hkexnews.hk) or other qualified medias within 30 days. The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders’ meeting resolution on the capital reduction and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (www.hkexnews.hk) or other qualified medias within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

Where the Company increases its registered capital through the issuance of new shares, the shareholders shall not have any preemptive subscription right, unless otherwise provided in the Articles of Association or resolved by the Shareholders’ meeting.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

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

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within 10 days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders’ meeting. To amend the Articles of Association or pass a resolution of the Shareholders’ meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders’ meeting.

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If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders’ meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

- (i) cleaning up the Company’s assets and preparing a balance sheet and a detailed inventory of assets;
- (ii) notifying and announcing to creditors;
- (iii) handling the Company’s unfinished business related to the liquidation;
- (iv) paying off the taxes owed and the taxes incurred during the liquidation process;
- (v) cleaning up claims and debts;
- (vi) distributing the remaining assets after the Company’s debts are settled; and
- (vii) representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Hong Kong Stock Exchange Disclosure website (www.hkexnews.hk) or other qualified medias within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims. During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company’s assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders’ meeting or the people’s court for confirmation. After paying off the liquidation expenses, employees’ wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company’s debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company’s assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company’s assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company’s assets are insufficient to settle its debts, it shall apply to the people’s court for insolvency liquidation in accordance with the law. After the people’s court accepts the insolvency application, the liquidation group shall transfer the liquidation affairs to the insolvency administrator designated by the people’s court.

After the Company’s liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders’ meeting or the people’s court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company’s registration.

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

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AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

- (i) after the following amendments to the Company Law or relevant laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, the provisions of the Articles of Association herein conflict with the amended laws, administrative regulations, or securities regulatory rules of the place where the Company’s shares are listed;
- (ii) the Company’s circumstances change and are inconsistent with the matters recorded in the Articles of Association; and
- (iii) the Shareholders’ meeting resolves to amend the Articles of Association.

Where any amendment to the Articles of Association resolved by the Shareholders’ meeting is subject to approval by the competent authority, such amendments shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the Shareholders’ Meeting and the approval opinions of the relevant competent authorities (if any).

Where any amendment to the Articles of Association involves information required by law or regulations to be disclosed, such information shall be publicly announced in accordance with provisions.