
APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

This appendix mainly provides [REDACTED] with an overview of the Company’s Articles of Association. Since the following content is a summary, it does not contain all the information that may be important to [REDACTED].

SHARES

Issue of Shares

The shares of the Company are issued in the form of registered stock.

The Company shall issue shares in an open, fair and just manner, and each share of the same class has the same right. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share subscribed for.

The shares issued by the Company shall have a par value of RMB1.00 per share. The A Shares issued by the Company shall be centrally registered and deposited with China Securities Depository and Clearing Corporation Limited Shenzhen Branch. The H Shares issued by the Company may be deposited according to the laws of the place where the Company’s shares are listed and the customary practices of securities registration and deposit, mainly with the custodian companies under Hong Kong Securities Clearing Company Limited, or may be held by shareholders in their personal names.

Increase, Decrease and Repurchase of Shares

Increase and Decrease of Shares

In accordance with the needs of its business operation and development, and in compliance with applicable laws and regulations, the Company may increase its capital in the following ways upon separate resolutions adopted by the shareholders’ meeting:

- (i) offering of shares to non-specific objects;
- (ii) private placement of shares;
- (iii) allotment of bonus shares to existing shareholders;
- (iv) conversion of funds in the capital reserve to share capital;
- (v) other means stipulated by laws, administrative regulations or approved by the CSRC.

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

Repurchase of Shares

The Company shall not repurchase its own shares. However, this does not apply in any of the following circumstances:

- (i) to reduce the Company’s registered capital;
- (ii) to merge with another company that holds the Company’s shares;
- (iii) to use the shares for an employee stock ownership plan or equity incentive;
- (iv) shareholders object to resolutions of the shareholders’ meeting concerning merger or division of the Company, requiring the Company to purchase their shares;
- (v) to use the shares to convert into the convertible corporate bonds issued by the Company;

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- (vi) when it is necessary for the Company to safeguard its own value and the rights and interests of shareholders.

The Company may acquire its own shares through public centralized trading, or other methods permitted by laws, administrative regulations, the CSRC and the regulatory authorities of the place where the Company's shares are listed.

When the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, it shall be conducted through public centralized trading.

In the case of acquiring the Company's own shares under the circumstances stipulated in items (i) and (ii) above, a resolution of the shareholders' meeting shall be required. In the case of the Company acquiring its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, it shall be approved by a resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of these Articles of Association or the authorization of the shareholders' meeting, subject to compliance with the securities regulatory rules of the place where the Company's shares are listed.

Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, after the Company acquires its own shares in accordance with the above-mentioned provisions, in the case of item (i), the shares shall be cancelled within 10 days from the date of acquisition; in the cases of items (ii) and (iv), the shares shall be transferred or cancelled within 6 months. When the Company acquires its own shares in accordance with items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total number of the Company's issued shares, and the acquired shares shall be transferred or cancelled within 3 years.

The Company shall perform information disclosure obligations in accordance with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed when acquiring its own shares.

Share Transfer

The shares of the Company can be transferred according to law. All transfers of H Shares shall be effected by a written instrument of transfer in common or ordinary form or in any other form acceptable to the Board (including the standard transfer form or instrument of transfer prescribed by The Stock Exchange of Hong Kong Limited from time to time); such instrument of transfer may be executed under hand only or under the valid seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognised clearing house (as defined in the relevant ordinances of Hong Kong as amended from time to time, hereinafter referred to as “**Recognised Clearing House**”) or its nominee, the instrument of transfer may be executed under hand or by mechanical means. All instruments of transfer shall be deposited at the registered office of the Company or at such other place as the Board may from time to time designate.

The Company does not accept the Company's shares as the subject matter of a pledge.

Shares issued prior to the Company's public offering of A Shares shall not be transferred within one year from the date of listing of the Company's A Shares on the stock exchange. Where laws, administrative regulations or the CSRC have other provisions regarding the transfer of shares held by the Company's shareholders or actual controller, such provisions shall prevail. Directors and senior management of the Company shall report to the Company their holdings of the Company's shares (including preference shares) and any changes therein. During their tenure, the number of shares transferred each year shall not exceed 25% of the total number of shares of the same class they hold in the Company. The shares of the Company held by them shall not be transferred within one year from the date of [REDACTED] of the Company's [REDACTED] on the stock exchange. The aforementioned personnel shall not transfer the shares of the Company held by them within six months after resignation.

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Shareholders and Shareholders’ Meetings

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and settlement institution. The register of shareholders shall be sufficient evidence to prove that shareholders hold the Company’s shares. The shareholders enjoy rights and fulfill obligations as per the class of the shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

If the Company convenes a shareholders’ meeting, distributes dividends, conducts liquidation or executes any other act requiring identification of shareholders, the convener of the Board meeting or shareholders’ meeting shall determine the equity registration date, at the end of which the shareholders in the register shall be shareholders entitled to relevant interests.

The shareholders of the Company shall have the following rights:

- (i) to receive dividends and profit distributions in any other form in proportion to the shares they hold;
- (ii) to legally require, convene, preside over, attend or appoint a shareholder proxy to attend the shareholders’ meeting and exercise corresponding right to speak and vote;
- (iii) to supervise, present suggestions on or make inquiries about the operations of the Company;
- (iv) to transfer, give as gift or pledge their shares in accordance with the laws, administrative regulations and the provisions of the Articles of Association;
- (v) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders’ meetings, resolutions of the Board meetings, and financial and accounting reports;
- (vi) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;
- (vii) with respect to a shareholder who votes against any resolution adopted at any shareholders’ meetings on the merger or division of the Company, to request the Company to repurchase the shares held by him/her/it;
- (viii) other rights stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

If any shareholder needs to access or copy the relevant information or obtain materials as set out in the preceding article, it shall comply with the provisions of laws and administrative regulations such as the Securities Law, and provide the Company with written documents bearing evidence of the class and number of shares held by him/her/it, and the Company will provide the said information or materials as required by the said shareholder upon authentication.

Where the contents of a resolution of the shareholders’ meeting or the Board meeting of the Company violate the laws or administrative regulations, the shareholders shall be entitled to petition the people’s court to declare the resolution invalid. Where the convening procedures or voting method of a shareholders’ meeting or a Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, the shareholders shall be entitled to petition to the people’s court for revocation within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of the shareholders’ meeting and the Board meeting and those without material impact on resolutions.

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Where there is a dispute over the validity of a shareholders’ meeting resolution among the Board, shareholders and other relevant parties, they shall file a lawsuit with the People’s Court without delay. Before a judgment or ruling is made by the People’s Court, the relevant parties shall implement the shareholders’ meeting resolution, and no party may refuse to implement the content of the resolution on the ground that the shareholders’ meeting resolution is invalid. The Company, directors and senior management personnel shall earnestly perform their duties to ensure the normal operation of the Company.

Where the People’s Court makes a judgment or ruling on relevant matters, the Company shall perform information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling becomes effective. Where corrections of prior matters are involved, they shall be handled promptly and corresponding information disclosure obligations shall be fulfilled.

Where the directors or senior management members other than members of the Audit Committee violate the provisions of the laws, administrative regulations or the Articles of Association during the performance of their duties of the Company and cause losses to the Company, the shareholders severally or jointly holding 1% or more shares of the Company for a period of 180 consecutive days or longer may submit a written request to the Audit Committee to file a lawsuit with the people’s court; where the members of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties of the Company and cause losses to the Company, the aforesaid shareholders may submit a written request to the Board of Directors to file a lawsuit with the people’s court.

If the Audit Committee or the Board of Directors refuses to institute legal proceedings after receipt of the written request of the shareholders as stipulated in the preceding paragraph or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people’s court in their own names in the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss of the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for more than 180 days continuously may institute legal proceedings to the people’s court according to the aforesaid provision.

Where the directors, supervisors or senior management personnel of the Company’s wholly-owned subsidiary violate laws, administrative regulations or the articles of association of the subsidiary during the performance of their duties, causing losses to the wholly-owned subsidiary, or where any other person infringes upon the legitimate rights and interests of the wholly-owned subsidiary, causing losses, shareholders of the Company who individually or jointly hold 1% or more of the Company’s shares for 180 consecutive days or more may, in accordance with the provisions of the first three paragraphs of this Article, submit a written request to the board of supervisors or the board of directors of the wholly-owned subsidiary to institute legal proceedings with the People’s Court, or directly institute legal proceedings with the People’s Court in their own names.

Where a wholly-owned subsidiary of the Company does not have a board of supervisors or supervisors but has an Audit Committee, the provisions of paragraphs 1 and 2 of this Article shall apply.

Where directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association, damaging the interests of shareholders, the shareholders may file a lawsuit with the people’s court.

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The controlling shareholder and actual controller of the Company shall be jointly and severally liable with such director or senior management personnel if they instruct the director or senior management personnel to engage in acts that harm the interests of the Company or its shareholders.

The shareholders of the Company shall undertake the following obligations:

- (i) to observe the laws, administrative regulations and the Articles of Association;
- (ii) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (iii) not to exit shares unless in the circumstances stipulated by laws and regulations;
- (iv) not to abuse shareholder’s right to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company or shareholder’s limited liability to harm the interests of creditors of the Company;
- (v) other obligations stipulated by the laws, administrative regulations and the Articles of Association.

If a shareholder of the Company abuses its shareholder rights and causes losses to the Company or other shareholders, it shall bear compensation liability in accordance with the law. Shareholders of the Company who abuse the independent legal person status of the Company and shareholders’ limited liability to evade debts and severely infringe upon the interests of the Company’s creditors shall assume joint and several liabilities for the Company’s debts.

Any shareholder holding more than 5% of the voting shares in the Company shall submit a written report to the Company on the same day such shareholder pledges any of its shares.

The Company’s controlling shareholders and actual controllers shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the stock exchanges, and safeguard the interests of the listed company.

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (i) Exercise shareholder rights in accordance with the law, and shall not abuse control rights or use connected relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (ii) Strictly fulfill public statements and various commitments made, and shall not arbitrarily change or exempt them;
- (iii) Strictly perform 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 planned to occur;
- (iv) Shall not occupy the Company’s funds in any way;
- (v) Shall not force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) Shall not use the Company’s undisclosed material information to seek benefits, shall not disclose the Company’s undisclosed material information in any way, and shall not engage in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (vii) Shall not harm the legitimate rights and interests of the Company and other shareholders through any means such as non-arm’s length connected transactions, profit distribution, asset restructuring, or foreign investment;

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- (viii) Ensure the integrity of the Company’s assets, independence of personnel, financial independence, institutional independence, and business independence, and shall not affect the Company’s independence in any way;
- (ix) Other provisions stipulated by laws, administrative regulations, the CSRC, business rules of the Shenzhen Stock Exchange, the Listing Rules and these Articles of Association.

Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually manages the Company’s affairs, the provisions of these Articles of Association regarding directors’ duties of loyalty and diligence shall apply.

The controlling shareholder and actual controller of the Company shall be jointly and severally liable with such director or senior management personnel if they instruct the director or senior management personnel to engage in acts that harm the interests of the Company or its shareholders.

Where controlling shareholders or actual controllers pledge the Company’s shares they hold or actually control, they shall maintain the stability of the Company’s control and production operations.

The transfer of shares held by controlling shareholders or actual controllers shall comply with the restrictive provisions on share transfer and the commitments made regarding restrictions on share transfer as stipulated in laws, administrative regulations, the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

General Rules for the Shareholders’ Meeting

The shareholders’ meeting is the highest authority of the Company, and shall exercise the following functions and powers pursuant to the law:

- (i) to elect and replace directors not represented by employee representatives, and to decide on matters relating to the remuneration of directors;
- (ii) to consider and approve reports of the Board;
- (iii) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (iv) to resolve on the increase or reduction of the registered capital of the Company;
- (v) to resolve on the issuance of corporate bonds;
- (vi) to resolve on the merger, division, dissolution and liquidation of the Company or change of its corporate form;
- (vii) to amend the Articles of Association;
- (viii) to resolve on the engagement and dismissal of accounting firms that undertake the Company’s audit business by the Company;
- (ix) to consider and approve the matters concerning guarantees as specified in Article 46 of the Articles of Association;
- (x) to consider matters regarding the Company’s purchase or sale of material assets within one year in excess of 30% of the latest audited total assets of the Company;
- (xi) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
- (xii) to consider equity incentive plans and employee stock ownership plans;
- (xiii) to consider other issues that should be decided by the shareholders’ meeting as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

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The shareholders’ meeting may authorise the Board to resolve on the issuance of corporate bonds.

Unless otherwise provided by laws, administrative regulations, regulations of the CSRC, rules of the Shenzhen Stock Exchange or the Listing Rules, the aforesaid functions and powers of the shareholders’ meeting shall not be exercised by the Board of Directors or other institutions and individuals by means of authorization.

The shareholders’ meetings include annual shareholders’ meetings and extraordinary shareholders’ meetings. The annual shareholders’ meeting shall be convened once a year, and be held within 6 months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders’ meeting within two months from the date of occurrence of any of the following circumstances:

- (i) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (ii) the unrecovered losses of the Company amount to 1/3 of the total paid-in capital;
- (iii) it is required by shareholder(s) individually or jointly holding more than 10% voting shares of the Company (When calculating the shareholding ratio referred to in this item, only ordinary shares and preference shares with restored voting rights are counted, excluding treasury shares);
- (iv) when deemed necessary by the Board of Directors;
- (v) when proposed by the Audit Committee;
- (vi) Other circumstances 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.

The venue for the shareholders’ meeting of the Company shall be the domicile of the Company or other locations specified in the Board announcement. The shareholders’ meeting shall be held by means of an on-site meeting at a designated venue. The Company shall also provide network participation and voting facilities for shareholders to participate in the shareholders’ meeting. Shareholders participating in the shareholders’ meeting through the aforementioned means shall be deemed present. Where the shareholders’ meeting is held by electronic means, the detailed participation method shall be specified in the shareholders’ meeting notice announcement. Shareholders participating in the shareholders’ meeting through electronic means shall be deemed present.

Convening of the Shareholders’ Meeting

The Board of Directors shall convene the shareholders’ meeting within the prescribed time limit.

Independent directors are entitled to propose to the Board on convening an extraordinary shareholders’ meeting. A proposal by independent directors to convene an extraordinary shareholders’ meeting shall be approved by more than half of all independent directors. Where independent directors propose to convene an extraordinary shareholders’ meeting, the Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders’ meeting within 10 days upon the receipt of the proposal. Where the Board agrees to convene an extraordinary shareholders’ meeting, a notice on the convening of the shareholders’ meeting shall be issued within 5 days after the resolution is passed by the Board; where the Board does not agree to convene an extraordinary shareholders’ meeting, it shall explain the reasons thereof and make an announcement.

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The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders’ meeting, and such proposal shall be submitted to the Board of Directors in writing. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders’ meeting within 10 days upon the receipt of the proposal.

Where the Board agrees to convene an extraordinary shareholders’ meeting, a notice on the convening of the meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original proposal in the notice shall be approved by the Audit Committee.

Where the Board does not agree to convene an extraordinary shareholders’ meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board shall be deemed as not being able to perform or failing to perform its duty to convene the shareholders’ meeting, and the Audit Committee may convene and preside over such meeting on its own.

Shareholders individually or in aggregate holding more than 10% of the Company’s voting shares shall have the right to request the Board to convene an extraordinary shareholders’ meeting and such request shall be made in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders’ meeting within 10 days upon the receipt of the request.

Where the Board agrees to convene an extraordinary shareholders’ meeting, a notice on the convening of the shareholders’ meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original request in the notice shall be approved by relevant shareholders.

Where the Board refuses to convene an extraordinary shareholders’ meeting or fails to give a response within 10 days after receiving the request, shareholders who individually or jointly hold more than 10% of the Company’s voting shares have the right to propose to the Audit Committee to convene an extraordinary shareholders’ meeting and shall submit a written request to the Audit Committee.

Where the Audit Committee agrees to convene an extraordinary shareholders’ meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. Changes made to the original request in the notice shall be approved by relevant shareholders.

If the Audit Committee fails to serve a notice of shareholders’ meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders’ meeting, and the shareholders severally or jointly holding more than 10% voting shares of the Company for consecutively 90 days may convene and preside over the meeting by themselves.

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preference shares with restored voting rights are counted, excluding treasury shares.

If the Audit Committee or shareholders decide to convene a shareholders’ meeting on their own, they must notify the Board of Directors in writing, and simultaneously file a report with the stock exchange.

Before the announcement of the shareholders’ meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10% (When calculating the shareholding ratio referred to in this Article, only ordinary shares and preference shares with restored voting rights are counted, excluding treasury shares).

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The Audit Committee or the convening shareholders shall, when issuing the shareholders’ meeting notice and the shareholders’ meeting resolution announcement, submit relevant supporting materials to the stock exchange.

For the shareholders’ meeting convened by the Audit Committee or shareholders on their own, the Board shall provide cooperation. The Board shall provide the register of shareholders as of the equity registration date.

For the shareholders’ meetings convened by the Audit Committee or shareholders on their own, the Company shall bear the necessary expenses for the meeting.

Proposals and Notices of Shareholders’ Meetings

A proposal of a shareholders’ meeting shall fall into the functions and powers of the shareholders’ meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

Where the Company convenes a shareholders’ meeting, the Board, Audit Committee, and shareholder(s) individually or jointly holding more than 1% shares of the Company may make proposals to the Company.

Shareholders individually or jointly holding more than 1% of the shares of the Company may raise temporary proposals and submit them to the convener 10 days before the shareholders’ meeting is held. Temporary proposals shall have definite topics and specific matters for resolution. The convener shall issue a supplementary notice of the shareholders’ meeting within 2 days of receipt and announce the contents of such temporary proposals, and submit such temporary proposals to the shareholders’ meeting for consideration; except where the temporary proposals violate laws, administrative regulations or the provisions of these Articles of Association, or do not fall within the functions and powers of the shareholders’ meeting.

Except as provided by the preceding paragraph, the convener shall not amend the proposals already specified in the notice of the shareholders’ meeting or add new proposals subsequent to the issue of the notice of the shareholders’ meeting. The shareholders’ meeting shall not vote or resolve on any proposals which are not contained in a notice of the shareholders’ meeting or are not in compliance with the Articles of Association.

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preference shares with restored voting rights are counted.

The convener shall notify all shareholders at least 21 days prior to the date of convening an annual shareholders’ meeting and at least 15 days prior to the date of convening an extraordinary shareholders’ meeting.

The notice of a shareholders’ meeting shall specify:

- (i) time, venue and duration of the meeting;
- (ii) matters and proposals submitted for consideration at the meeting;
- (iii) a clear statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend the shareholders’ meeting and appoint proxies in writing to attend and vote at such meeting, and that such proxies need not be shareholders of the Company;
- (iv) the equity registration date for shareholders entitled to attend the shareholders’ meeting;
- (v) name and telephone number of the contact person of the meeting;

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- (vi) voting time and voting procedure of online or other means.

The notice and supplementary notice of the shareholders’ meeting shall fully and completely disclose the entire specific content of all proposals. Where matters to be discussed require deliberation by independent directors, a special meeting shall be convened promptly for discussion.

The start time for online or other means voting at the shareholders’ meeting shall not be earlier than 3:00 p.m. on the day before the on-site shareholders’ meeting is held, and shall not be later than 9:30 a.m. on the day the on-site shareholders’ meeting is held. The end time shall not be earlier than 3:00 p.m. on the day the on-site shareholders’ meeting ends.

The interval between the equity registration date and the meeting date shall not exceed 7 business days. Once the equity registration date is confirmed, it shall not be changed.

After the notice of the shareholders’ general meeting has been issued, the meeting shall not be postponed or cancelled without justifiable cause, and the proposals specified in the notice shall not be cancelled. In the event of postponement or cancellation, the convener shall announce the reasons at least 2 working days prior to the originally scheduled date of the meeting.

Holding of Shareholders’ Meetings

Shareholders may attend the shareholders’ general meeting in person or appoint a proxy to attend and vote on their behalf, and the proxy need not be a shareholder.

An individual shareholder attending the meeting in person shall present their identity card or other valid identification document certifying their identity. If appointing a proxy to attend the meeting, the proxy shall present their own valid identification document and the shareholder’s power of attorney.

A corporate shareholder shall be represented by its legal representative or a proxy appointed by the legal representative to attend the meeting and vote thereon, and if such corporate entity has appointed a representative to attend any meeting, it shall be deemed to be present in person. If the legal representative attends the meeting, they shall present their identity card and valid documentation certifying their status as the legal representative. If a proxy attends the meeting, the proxy shall present their own identity card and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law (except where the shareholder is a recognised clearing house or its agent).

The power of attorney used by shareholders to appoint proxies to attend the shareholders’ meeting shall contain the following information:

- (i) name or designation of the appointing shareholder, class and quantity of the Company’s shares held;
- (ii) name or designation of the proxy;
- (iii) specific instructions of the shareholder, including instructions on voting for, against, or abstaining for each proposed resolution listed in the agenda of the shareholders’ general meeting;
- (iv) date of issuance and validity period of the power of attorney;
- (v) signature or seal of the appointing shareholder. If the appointing shareholder is a corporate entity, the corporate seal shall be affixed.

Where the shareholders’ meeting requires directors or senior management personnel to attend the meeting, they shall attend and accept inquiries from shareholders.

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The shareholders’ meetings shall be presided over by the chairman of the Board of Directors. Where the chairman cannot or does not fulfill the duty thereof, the vice chairman shall preside over the meeting. Where the vice chairman cannot or does not fulfill the duty thereof, more than half of the directors may jointly elect a director to preside over the meeting.

A shareholders’ meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform or fails to perform his/her duties, one member of the Audit Committee jointly recommended by more than half of the Audit Committee members shall preside over the meeting.

A shareholders’ meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

If the presiding officer of a shareholders’ general meeting violates the procedural rules, rendering the meeting unable to proceed, the shareholders’ general meeting may, upon approval by a majority of the shareholders with voting rights present on-site, elect a new presiding officer to continue conducting the meeting.

Resolutions and Voting at Shareholders’ Meetings

Resolutions of the shareholders’ meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution shall be passed by more than half of the voting rights held by the shareholders (including proxies) attending the shareholders’ meeting. A special resolution shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies) attending the shareholders’ meeting.

The following matters shall be approved by ordinary resolution at the shareholders’ meeting:

- (i) the Board of Directors’ work report;
- (ii) the profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) the appointment or removal of members of the Board of Directors and their remuneration and payment methods;
- (iv) other matters which, under applicable laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or these Articles of Association, are not required to be approved by special resolution.

The following matters shall be approved by special resolution at the shareholders’ meeting:

- (i) increase or reduction of the registered capital of the Company;
- (ii) division, spin-off, merger, dissolution, and liquidation of the Company;
- (iii) amendments to these Articles of Association;
- (iv) the acquisition or disposal of significant assets or provision of guarantees within one year exceeding 30% of the Company’s latest audited total assets;
- (v) equity incentive plans;
- (vi) other matters required by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or these Articles of Association to be approved by special resolution, as well as other matters which the shareholders’ general meeting determines by ordinary resolution will have a material impact on the Company and require approval by special resolution.

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Shareholders (including their proxies) shall exercise their voting rights in proportion to the number of voting shares they represent, with each share carrying one vote, except for shareholders of different classes of shares.

When the shareholders’ general meeting considers matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of separate counting shall be disclosed publicly in a timely manner.

If the shareholder is a recognised clearing house, the shareholder may authorise one or more persons it deems appropriate to act as its representatives at any shareholders’ meeting (and/or creditors’ meeting); however, if more than one person is authorised, the power of attorney shall specify the number and class of shares covered by such authorization for each such person. Persons so authorised may exercise rights on behalf of the recognised clearing house or its agent (without presenting shareholding certificates, notarized authorizations and/or further evidence to prove their formal authorization), as if such persons were individual shareholders of the Company, enjoying the same legal rights as other shareholders, including the rights to speak and vote.

Shares held by the Company itself shall carry no voting rights and shall be excluded from the total number of voting shares present at the shareholders’ general meeting.

Where a shareholder purchases voting shares of the Company in violation of Paragraphs 1 and 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not exercise voting rights within 36 months after the purchase, and shall not be counted in the total number of voting shares present at the shareholders’ meeting.

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 provisions of the CSRC may publicly solicit shareholders’ voting rights. When soliciting shareholders’ voting rights, specific voting intentions and other information shall be fully disclosed to the solicitees. Solicitation of shareholders’ voting rights on a paid or disguised paid basis is prohibited. Except as required by law, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the shareholders’ general meeting considers matters related to connected transactions, connected shareholders may attend the shareholders’ meeting and may explain their views to the attending shareholders in accordance with the meeting procedures, but shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; the resolution of the shareholders’ general meeting shall disclose the voting results of non-connected shareholders.

The presiding officer shall, before the shareholders’ meeting considers proposals related to connected transactions, inform the connected shareholders that they do not have voting rights on such proposals, and announce the number of shareholders and proxies present at the meeting excluding connected shareholders and the total number of voting shares they hold.

Where connected shareholders violate the provisions of this Article and participate in voting, their votes on the relevant connected transaction matters shall be invalid.

Resolutions on connected transaction matters adopted at the shareholders’ meeting shall be effective only upon approval by more than half of the voting rights held by non-connected shareholders present at the shareholders’ meeting. However, where the connected transaction matter involves matters specified in Article 81 of these Articles of Association, the shareholders’ meeting resolution must be passed by not less than two-thirds of the voting rights held by non-connected shareholders present at the shareholders’ meeting to be effective.

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Except in special circumstances such as a crisis of the Company, the Company shall not enter into any contract that entrusts the management of the entirety or material part of the Company’s business to a person other than a director, manager, or other senior management personnel, unless such contract is approved by a special resolution of the shareholders’ general meeting.

Board of Directors

Directors

Directors of the Company shall be natural persons. Any person who falls under any of the following circumstances shall not serve as a director of the Company:

- (i) having no or limited civil capacity;
- (ii) having been subject to criminal penalties for corruption, bribery, misappropriation of property, embezzlement of property, or disrupting the socialist market economic order, where five years have not yet elapsed since the completion of the sentence, or having been deprived of political rights due to criminal offenses, where five years have not yet elapsed since the completion of the sentence, or where the person was given a suspended sentence and two years have not yet elapsed since the end of the probation period;
- (iii) having served as a director, factory director, or general manager of a company or enterprise that went bankrupt during their tenure and was personally responsible for the bankruptcy, where three years have not yet elapsed since the conclusion of the bankruptcy liquidation;
- (iv) having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to shut down due to violations of laws and was personally responsible, where three years have not yet elapsed since the date of revocation or closure;
- (v) being listed by a People’s Court as a dishonest person subject to enforcement due to failure to repay substantial personal debts when due;
- (vi) being subject to market entry prohibition measures by the CSRC and the period of prohibition has not yet expired;
- (vii) being publicly determined by a stock exchange as unsuitable to serve as a director or senior management personnel of a listed company, etc., and the period has not yet expired;
- (viii) other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company’s shares are listed.

Any election, appointment, or engagement of a director in violation of the above provisions shall be invalid. If a director, during his/her term of office, falls into any of the above circumstances, the Company shall remove such person from his/her position and cease his/her performance of duties.

Directors shall be elected or replaced by the shareholders’ meeting and may be removed by a resolution of the shareholders’ meeting before the expiration of their term, and the removal shall take effect on the date the resolution is made. Each term of a director shall last for three years, and directors shall be eligible for re-election upon expiration of their term of office. Where the securities regulatory rules of the place where the Company’s shares are listed have other provisions regarding the re-election of directors, such provisions shall prevail. Where a director is removed without justifiable reason before the expiration of his/her term, such director may request the Company for compensation.

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The term of a director shall commence from the date he/she assumes office and end upon the expiry of the term of the current Board of Directors. If a director is not re-elected in time after the expiration of his/her term, the original director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association until a new director takes office.

Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, if the Board appoints a new director to fill a casual vacancy on the Board or as an addition to the Board, the term of office of such appointed director shall only last until the first annual shareholders' meeting of the Company after his/her appointment, at which time he/she shall be eligible for re-election.

Directors may concurrently serve as senior management personnel, but the total number of directors who concurrently serve as senior management personnel and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association, and owe the Company a duty of loyalty, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their authority to seek improper benefits.

Directors owe the Company the following duties of loyalty:

- (i) Not to misappropriate Company property or funds;
- (ii) Not to deposit Company assets or funds in an account opened in their own name or in the name of another individual;
- (iii) Not to use their positions to accept bribes or other illegal gains;
- (iv) Not to enter into contracts or conduct transactions (direct or indirect) with the Company without reporting to and obtaining approval from the Board or the shareholders' meeting in accordance with these Articles of Association;
- (v) Not to use their positions to seek business opportunities that belong to the Company for themselves or others. However, the following circumstances are excluded: having reported to the board of directors or the shareholders' general meeting and obtained approval through a resolution of the board of directors or the shareholders' general meeting in accordance with these Articles of Association; or the Company is unable to utilize the business opportunity in accordance with laws, administrative regulations, or these Articles of Association;
- (vi) Not to operate for themselves or others any business similar to that of the Company without having reported to the board of directors or the shareholders' general meeting and obtained approval through a resolution of the board of directors or the shareholders' general meeting in accordance with these Articles of Association;
- (vii) Not to accept commissions from transactions with the Company for themselves;
- (viii) Not to disclose Company secrets without authorization;
- (ix) Not to use their connected relationships to harm the interests of the Company;
- (x) Other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any gains obtained by a director in violation of the provisions of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

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Where close relatives of directors or senior management members, or enterprises directly or indirectly controlled by directors, senior management members, or their close relatives, or other persons with connected relationships with directors or senior management members, enter into contracts or conduct transactions with the Company, the provisions of the preceding paragraph shall apply.

Directors shall comply with laws, administrative regulations and these Articles of Association, and in performing their duties shall exercise the reasonable care normally expected of a manager for the maximum benefit of the Company, and owe the following duties of diligence to the Company:

- (i) Exercise the powers granted by the Company prudently and diligently to ensure the Company’s business activities comply with the requirements of national laws, administrative regulations, and national economic policies, and do not exceed the business scope specified in the business license;
- (ii) Treat all shareholders fairly;
- (iii) Keep themselves reasonably informed about the Company’s business operations and management;
- (iv) Provide written confirmation opinions on the Company’s periodic reports to ensure the information disclosed by the Company is true, accurate, and complete;
- (v) Provide the audit committee with relevant information and materials truthfully and not obstruct the exercise of its powers; and
- (vi) Other duties of care stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

If a director fails to attend two consecutive board meetings in person without authorising another director to attend on their behalf, they shall be deemed unable to perform their duties, and the board of directors shall recommend their removal by the shareholders’ general meeting.

A director may resign prior to the expiration of their term. A director shall submit a written resignation report to the board of directors, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall disclose the relevant situation within two trading days.

If the resignation of a director results in the number of directors falling below the legal minimum, the resigning director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association until the newly elected director assumes office.

Upon the effectiveness of a director’s resignation or the expiration of their term, they shall complete all handover procedures with the board of directors. The fiduciary duties owed to the Company and its shareholders shall not terminate immediately upon the end of their term but shall remain effective for two years after the resignation takes effect or the term expires. The liability that a director should bear for performing his/her duties during his/her tenure shall not be exempted or terminated due to leaving the position.

The duty of a director to keep the Company’s trade secrets confidential shall continue to be effective after the end of his/her tenure until the secret becomes public information. The duration of other duties shall be determined based on the principle of fairness, depending on the length of time between the occurrence of the event and the departure, and the circumstances and conditions under which his/her relationship with the Company ended.

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Unless otherwise provided in the Articles of Association or with lawful authorization from the board of directors, no director may represent the Company or the board of directors in their personal capacity. When a director acts in their personal capacity, and a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors, the director shall declare their position and identity in advance.

Where a director, in performing the Company’s duties, causes damage to others, the Company shall bear compensation liability; if the director acts intentionally or with gross negligence, he/she shall also bear compensation liability. Where a director, in performing the Company’s duties, violates laws, administrative regulations, departmental rules or the provisions of these Articles of Association, causing losses to the Company, he/she shall bear compensation liability.

Board of Directors

The Company shall have a Board of Directors.

The Board of Directors of the Company shall consist of seven directors, with one chairman, and may have a vice chairman. The chairman and vice chairman shall be elected by a majority vote of all directors.

The Board of Directors shall exercise the following powers:

- (i) Convening shareholders’ meetings and reporting to the shareholders’ meeting;
- (ii) Implementing resolutions of the shareholders’ meeting;
- (iii) Determining the Company’s business plans and investment schemes;
- (iv) Formulating the Company’s profit distribution plans and plans for making up losses;
- (v) Formulating plans for increases or decreases in the Company’s registered capital, issuance of corporate bonds or other securities, and [REDACTED];
- (vi) Drafting plans for major acquisitions, acquisition of the Company’s own shares, mergers, divisions, dissolution, or changes to the Company’s corporate form;
- (vii) Determining matters such as the Company’s external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorised by the shareholders’ general meeting;
- (viii) Determining the structure of the Company’s internal management bodies;
- (ix) Appointing or dismissing the Company’s General Manager, secretary of the Board, and other senior management personnel, and determining their remuneration, rewards, and penalties; based on the nomination of the General Manager, appointing or dismissing the Company’s Deputy General Managers, financial controller, and other senior management personnel, and determining their remuneration, rewards, and penalties;
- (x) Formulating the Company’s basic management systems;
- (xi) Formulating proposals for amendments to the Company’s Articles of Association;
- (xii) Managing the Company’s information disclosure matters;
- (xiii) Proposing to the shareholders’ general meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiv) Listening to work reports from the Company’s General Manager and reviewing their work;

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- (xv) Other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, these Articles of Association, or the shareholders’ general meeting.

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

The Board of Directors shall define its authority over matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, and establish stringent review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the shareholders’ general meeting for approval.

The Chairman shall exercise the following functions and powers:

- (i) Presiding over shareholders’ general meetings and convening and presiding over meetings of the Board of Directors;
- (ii) Supervising and inspecting the implementation of resolutions of the Board of Directors;
- (iii) Signing important documents of the Board of Directors, important contracts of the Company and other documents that require signature, or issuing a power of attorney authorising a representative to sign such documents;
- (iv) Exercising special authority over the Company’s affairs in compliance with legal provisions and the Company’s interests under emergency circumstances such as force majeure events (e.g., major natural disasters), and reporting to the Board of Directors and the shareholders’ general meeting thereafter;
- (v) Other functions and powers granted by the Board of Directors.

The Board shall convene at least four regular meetings annually, which shall be convened by the chairman with a notice issued at least 14 days prior to each meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the Audit Committee may propose to convene an extraordinary Board meeting. The chairman shall convene and preside over an extraordinary Board meeting within 10 days upon receiving a proposal.

A Board meeting shall only be held if more than half of the directors are present. A Board resolution must be passed by a majority of all directors.

Each director shall have one vote in Board resolutions.

Where a director has a connected relationship with an entity or individual involved in a matter to be considered at a Board meeting, the director shall report such relationship to the Board in writing in a timely manner. A connected director shall not vote on such matter or act as a proxy for other directors in voting, and the votes they hold shall not be counted in the total voting rights. The Board meeting may be held with the attendance of more than half of the non-connected directors, and the resolution must be passed by a majority of the non-connected directors. Where the number of non-connected directors attending the meeting is less than three, the matter shall be submitted to the shareholders’ meeting for consideration. Where laws and regulations or the securities regulatory rules of the place where the Company’s shares are listed impose additional restrictions on directors’ participation in Board meetings and voting, such provisions shall prevail.

The voting method for Board resolutions shall be: unless more than half of the directors present at the meeting agree to vote by a show of hands, the Board shall vote in writing.

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Directors shall attend Board meetings in person; if a director is unable to attend for any reason, he/she may authorise another director in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, the matters entrusted, the scope of authorization and the validity period, and shall be signed or sealed by the authorising person. The director attending the meeting on behalf of another shall exercise the director’s rights within the scope of authorization. A director who neither attends the Board meeting nor authorises a representative to attend shall be deemed to have waived his/her voting right at that meeting.

Special Committees of the Board of Directors

The Company shall establish an Audit Committee under the Board of Directors, which shall exercise the functions and powers of a supervisory committee as provided in the Company Law.

The Audit Committee shall consist of three members, who shall be directors not serving as senior management personnel of the Company, including two independent directors, with the convener being an accounting professional among the independent directors.

The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosure, and for supervising and assessing both internal and external auditing and internal control. The following matters shall be submitted to the Board of Directors for consideration only after being approved by a majority of all members of the Audit Committee:

- (i) the financial information disclosed in financial and accounting reports and periodic reports, and the internal control evaluation report;
- (ii) the engagement or dismissal of accounting firms responsible for auditing the Company;
- (iii) the appointment or dismissal of the chief financial officer of the Company;
- (iv) changes in accounting policies or accounting estimates, or corrections of material accounting errors not due to changes in accounting standards;
- (v) other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or these Articles of Association.

The Company shall establish a Strategy Committee, a Nomination Committee, a Remuneration and Appraisal Committee, and an ESG Committee under the Board of Directors, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for consideration and decision. The Board of Directors shall be responsible for formulating the working rules of the special committees. The Strategy Committee and ESG Committee shall each consist of three directors, including at least one independent director. Independent directors shall constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee, and the convener shall be an independent director. However, where relevant competent authorities of the State Council have other provisions regarding the convener of special committees, such provisions shall prevail.

General Manager and Other Senior Management Members

The Company shall have one General Manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have Deputy General Manager(s), who shall be appointed or dismissed by the Board of Directors. The General Manager, Deputy General Manager(s), financial controller, and secretary of the Board of the Company shall be the senior management personnel of the Company.

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The circumstances under which a person may not serve as a director, as stipulated in these Articles of Association, shall apply equally to senior management personnel. The provisions of these Articles of Association regarding directors’ duties of loyalty and care shall also apply to senior management personnel. Personnel holding administrative positions other than director or supervisor in the controlling shareholder unit of the Company shall not serve as senior management personnel of the Company. The Company’s senior management personnel shall receive their salaries solely from the Company and shall not be paid by the controlling shareholder on behalf of the Company.

The term of office for the General Manager shall be three years, and the General Manager may serve consecutive terms if reappointed.

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

- (i) to preside over the production and business operations of the Company, organize the implementation of Board resolutions, and report to the Board of Directors;
- (ii) to organize the implementation of the Company’s annual business plan and investment proposals;
- (iii) to formulate plans for the establishment of internal management organizations of the Company;
- (iv) to formulate the Company’s basic management systems;
- (v) to formulate the Company’s specific rules and policies;
- (vi) to propose to the Board of Directors the appointment or dismissal of other senior management members;
- (vii) to decide on the appointment or dismissal of management personnel other than those whose appointments or dismissals must be determined by the Board of Directors;
- (viii) other functions and powers granted by these Articles of Association or the Board of Directors.

The General Manager shall attend meetings of the Board of Directors as a non-voting participant.

The General Manager may resign prior to the expiration of their term. The specific procedures and measures for the resignation of the General Manager shall be stipulated in the labour contract between the General Manager and the Company.

The Company shall have a secretary of the Board responsible for preparing shareholders’ general meetings and board meetings, maintaining document custody, managing shareholder records, handling information disclosure affairs, investor relations, assisting independent directors in performing their duties, and other related matters.

The secretary of the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, and these Articles of Association.

Senior management personnel of the Company shall perform their duties faithfully and uphold the best interests of the Company and all its shareholders. If senior management personnel cause harm to the interests of the Company and the public shareholders due to failure to perform their duties faithfully or breach of fiduciary obligations, they shall be liable for compensation in accordance with the law.

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Finance, Accounting, and Audit

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

The Company shall not establish any set of accounting books in addition to the statutory accounting books. The Company’s funds shall not be deposited into any account opened in the name of an individual.

When distributing profits for a given year, the Company shall allocate 10% of its after-tax profits to the statutory reserve fund. Where the accumulated amount of the statutory reserve fund has reached more than 50% of the Company’s registered capital, no further allocation is required. Where the statutory reserve fund is insufficient to cover losses carried over from previous years, the Company shall use the current year’s profits to offset such losses before making allocations to the statutory reserve fund as specified above.

After the Company has allocated after-tax profits to the statutory reserve fund, it may, subject to a resolution of the shareholders’ meeting, allocate additional amounts to a discretionary reserve fund.

Any remaining after-tax profits following the offsetting of losses and the appropriation to the reserve funds shall be distributed to shareholders in proportion to their shareholdings, unless otherwise provided in these Articles of Association.

If the Company distributes profits to shareholders in violation of the Company Law and the provisions of the Articles of Association, such shareholders shall return the improperly distributed profits to the Company; any shareholder, director or senior management member who is held responsible and causes losses to the Company shall be liable for compensation.

Shares held by the Company shall not be entitled to profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for the H Shareholders. The receiving agent(s) shall collect and hold the dividends and other amounts payable by the Company in respect of H Shares on behalf of the relevant H Shareholders, pending payment to such H Shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed.

The Company’s reserve funds may be used to cover losses, expand production and operations, or be converted into share capital. Where reserve funds are used to cover losses, discretionary reserve funds and statutory reserve funds shall be used first. If the losses still cannot be fully covered, the capital reserve may be used in accordance with applicable regulations.

Where the statutory reserve fund is converted into registered capital, the balance of such statutory reserve fund retained shall not be less than 25% of the Company’s registered capital prior to the conversion.

Following the resolution of the shareholders’ meeting on a profit distribution plan, or after the Board of Directors has formulated a specific plan based on the dividend distribution conditions and upper limit as approved at the annual shareholders’ meeting for the next year’s interim dividend, the distribution of dividends (in cash or shares) shall be completed within two months. If the specific plan cannot be implemented within 2 months due to laws and regulations or the securities regulatory rules of the place where the Company’s shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such regulations and actual circumstances.

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The Company may distribute profits in cash, stock, a cash-stock combination, or other methods permitted by laws and regulations. The cash method takes precedence over the stock method. When the Company meets the conditions for cash dividends, it shall distribute profits by means of cash dividends. While ensuring reasonable share capital scale and equity structure of the Company, the Company may also use stock dividends for profit distribution while implementing cash dividends.

The Company shall implement an internal audit system, specifying the leadership system, responsibilities and authorities, staffing, funding guarantee, application of audit results and accountability for internal audit work. The Company’s internal audit system shall be implemented upon approval by the Board of Directors and disclosed externally.

The internal audit institution shall be responsible to the Board of Directors. In the process of supervising and inspecting the Company’s business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. If it discovers major problems or clues, it shall report directly to the Audit Committee immediately.

The Company shall engage an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the place where the Company’s shares are listed to conduct audits of its accounting statements, verify net assets, and provide other related consulting services, with an engagement term of 1 year, which may be renewed.

The engagement or dismissal of an accounting firm by the Company, and the act of expressing audit opinions and issuing audit reports on financial and accounting reports, shall be conducted in accordance with the provisions of the “Measures for the Selection of Accounting Firms by State-Owned Enterprises and Listed Companies”. The engagement or dismissal of an accounting firm to express audit opinions and issue audit reports on financial and accounting reports shall be submitted to the Board of Directors for consideration after being approved by the Audit Committee, and shall be decided by the shareholders’ meeting. The Board of Directors shall not appoint an accounting firm before the shareholders’ meeting makes a decision.

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

Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation***Merger, Division, Capital Increase and Capital Reduction***

The Company may conduct a merger by way of absorption or by establishing a new company. In the case of an absorption merger, one company absorbs another, and the absorbed company shall be dissolved. In the case of a merger by establishing a new company, two or more companies combine to form a new company, and all merging parties shall be dissolved.

Where the consideration paid by the Company for a merger does not exceed 10% of the Company’s net assets, a resolution of the shareholders’ meeting is not required; however, these Articles of Association provide otherwise.

A merger that does not require a resolution of the shareholders’ meeting pursuant to the foregoing shall be approved by a resolution of the Board of Directors.

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In the case of a merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall make an announcement within 30 days in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System. Creditors may request the Company to repay debts or provide a corresponding guarantee within 30 days from the date of receipt of such notice, or within 45 days from the date of the announcement if no notice was received.

Upon a merger, the surviving company or the newly established company shall assume the debts and claims of all parties to the merger.

In the case of a division, the Company’s assets shall be divided accordingly. The Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the division resolution is passed and shall make an announcement within 30 days in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System. The debts incurred by the Company prior to the division shall be jointly and severally assumed by the companies resulting from the division, unless a written agreement regarding debt repayment has been otherwise reached between the Company and its creditors prior to the division.

If the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the resolution on capital reduction is passed at the shareholders’ meeting and shall make an announcement within 30 days in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System. Creditors may request the Company to repay debts or provide a corresponding guarantee within 30 days from the date of receipt of such notice, or within 45 days from the date of the announcement if no notice was received.

Capital reduction by the Company shall be carried out in proportion to the shareholders’ capital contributions or shareholdings, unless otherwise provided by law or these Articles of Association. The registered capital of the Company after reduction shall not be lower than the statutory minimum limit.

Where losses remain after the Company has covered them in accordance with Article 159, Paragraph 2 of these Articles of Association, the Company may reduce its registered capital to make up for the losses. When registered capital is reduced to make up losses, no distribution shall be made to shareholders, and shareholders shall not be exempted from the obligation to pay in their subscribed capital.

Capital reduction under the above provision shall not be subject to paragraph 2 of the preceding Article, but an announcement shall be made within 30 days from the date of the capital reduction resolution of the shareholders’ meeting in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System.

After the Company reduces its registered capital in accordance with the foregoing, it shall not distribute profits until the total amount of its statutory and discretionary reserves reaches 50% of the registered capital.

Where capital is reduced in violation of the Company Law or the provisions of these Articles of Association, any funds received by shareholders shall be returned to the Company; any reduction or exemption of shareholders’ capital contributions shall be reinstated. Any losses thereby caused to the Company shall be subject to compensation by the responsible shareholders, directors and senior management members.

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In the event of a merger or division resulting in changes to the Company’s registration particulars, the Company shall complete the change registration with the company registration authority in accordance with the law. If the Company is dissolved, it shall apply for deregistration in accordance with the law. If a new company is established, it shall be registered in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved according to law under any of the following circumstances:

- (i) The business term stipulated in these Articles of Association expires or other dissolution causes specified in these Articles of Association occur;
- (ii) A resolution is passed by the shareholders’ general meeting to dissolve the Company;
- (iii) Dissolution due to the merger or division of the Company;
- (iv) The business license is revoked, the Company is ordered to close down, or it is dissolved by law;
- (v) Where serious difficulties arise in the operation and management of the Company, and continuing its existence would cause significant harm to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholder(s) holding 10% or more of the total voting rights of the Company may request the People’s Court to dissolve the Company.

If any of the dissolution causes specified in the preceding paragraph occurs, the Company shall publicize the dissolution cause through the National Enterprise Credit Information Publicity System within 10 days.

If the Company falls under items (I) or (II) of Article 190, Paragraph 1 of these Articles of Association and has not yet distributed its assets to shareholders, it may continue to exist by amending these Articles of Association or by a resolution of the shareholders’ meeting.

Amending these Articles of Association or passing a resolution of the shareholders’ meeting in accordance with the preceding paragraph requires approval by two-thirds or more of the voting rights held by shareholders present at the shareholders’ general meeting.

If the Company is dissolved under items (I), (II), (IV) or (V) of Article 190, Paragraph 1 of these Articles of Association, it shall be liquidated. Directors are the liquidation obligors of the Company and shall form a liquidation group within 15 days from the date the dissolution cause occurs to conduct liquidation. The liquidation group shall be composed of directors, unless otherwise provided in these Articles of Association or the shareholders’ general meeting resolves to appoint other persons. If the liquidation obligor fails to perform its liquidation obligations in a timely manner, causing losses to the Company or its creditors, it shall be liable for compensation.

If the liquidation group is not formed within the time limit to conduct liquidation, or after the liquidation group is formed, liquidation is not carried out, interested parties may apply to the People’s Court to designate relevant persons to form a liquidation group to conduct liquidation.

If the Company is dissolved under item (IV) of Article 190, Paragraph 1 of these Articles of Association, the department that made the decision to revoke the business license, order the closure, or dissolve the Company, or the company registration authority, may apply to the People’s Court to designate relevant persons to form a liquidation group to conduct liquidation.

APPENDIX III**SUMMARY OF THE ARTICLES OF ASSOCIATION**

During the liquidation period, the liquidation committee shall exercise the following powers:

- (i) to sort out the Company’s assets and prepare a balance sheet and an inventory of assets;
- (ii) to notify and publicly announce to the Company’s creditors;
- (iii) to handle the Company’s outstanding business related to liquidation;
- (iv) to pay taxes owed and taxes arising in the course of liquidation;
- (v) to settle claims and debts;
- (vi) to distribute the remaining assets of the Company after repayment of debts;
- (vii) to represent the Company in civil proceedings.

After liquidating the Company’s assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders’ general meeting or the People’s Court for confirmation.

The remaining assets of the Company, after paying liquidation expenses, employees’ wages, social insurance contributions, statutory compensation, settling outstanding taxes, and repaying the Company’s debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. No distribution of the Company’s assets to shareholders shall be made until the payments and settlements specified in the preceding paragraph have been completed. If, after liquidating the Company’s assets and preparing a balance sheet and an inventory of assets, the liquidation group finds that the Company’s assets are insufficient to repay its debts, it shall apply to the People’s Court for bankruptcy liquidation.

After the People’s Court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed 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’ general meeting or the People’s Court for confirmation, and file it with the company registration authority to apply for cancellation of the Company’s registration.

Members of the liquidation group shall perform their liquidation duties with duties of loyalty and care. If a member of the liquidation group fails to perform their liquidation duties diligently, causing losses to the Company, they shall be liable for compensation. If a member causes losses to creditors due to intentional misconduct or gross negligence, they shall be liable for compensation. If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant enterprise bankruptcy laws.

Amendments to the Articles of Association

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

- (i) the Company Law or other applicable laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are listed are amended, resulting in inconsistencies with the provisions of these Articles of Association;
- (ii) changes in the Company’s circumstances result in inconsistencies with the matters recorded in these Articles of Association;
- (iii) the shareholders’ meeting resolves to amend these Articles of Association.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Any amendment to these Articles of Association that is approved by the shareholders’ meeting and is subject to approval by the competent authorities shall be submitted for such approval. Where the amendment involves matters of company registration, change registration shall be carried out in accordance with the law.

The Board of Directors shall amend these Articles of Association in accordance with the resolutions of the shareholders’ meeting and the approval opinions of the relevant competent authorities.

Matters relating to amendments to the Articles of Association that are required by laws and regulations to be disclosed shall be announced in accordance with regulations.