

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix sets out a summary of main provisions of the Articles of Association of the Company adopted on February 5, 2026, which shall become effective from the date on which the H Shares are [REDACTED] on the Hong Kong Stock Exchange. As the main purpose of this Appendix is to provide potential [REDACTED] with an overview of the Company’s Articles of Association, it may not necessarily contain all information that is important for potential [REDACTED].

1. DIRECTORS AND BOARD OF DIRECTORS

(1) Power to Allot and Issue Shares

The Articles of Association does not contain provisions that authorize the Board of Directors to allot or issue shares.

(2) Power to Dispose of Assets of our Company or any Subsidiary

The Board of Directors shall determine the authority for external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, material transactions and connected transactions, and establish stringent procedures for review and decision-making. Major investment projects shall be assessed by relevant experts and professionals and reported to the shareholders’ general meeting for approval.

(3) Emoluments and Compensation or Payments for Loss of Office

The shareholders’ general meeting of the Company shall be composed of all shareholders. The shareholders’ general meeting is the organ of authority of the Company, which shall, in accordance with the law, exercise the following functions and powers: to elect and replace directors and to determine matters relating to the remuneration of the directors.

(4) Provide Financial Assistance for Acquiring the Shares of the Company

The Company or its subsidiaries (including affiliates of the Company) shall not give financial assistance, in the form of gift, advance, guarantee, loan or otherwise, to another person who purchases shares of the Company or its parent company, except when the Company implements an employee stock ownership plan.

The Company or its subsidiaries (including affiliates of the Company) may provide financial assistance for the acquisition of the Company or its parent company’s shares by third parties where such assistance is for the benefit of the Company and has been duly approved either by a resolution of shareholders’ general meeting or by a resolution of the Board of Directors acting pursuant to authority granted under the Articles of Association or by shareholders’ general meeting. The aggregate amount of any such financial assistance shall in no event exceed 10% of the Company’s total issued share capital. Such resolution made by the Board of Directors shall be approved by more than two-thirds of all directors.

(5) Disclosure of Interests in Contracts with the Company

No director shall, without prior disclosure to and approval by a resolution of either the Board of Directors or the shareholders’ general meeting in accordance with the Articles of Association, directly or indirectly enter into any contract or transaction with the Company.

(6) Appointment, Resignation and Dismissal

The Company has established the Board of Directors, which consists of nine directors, including one chairperson, among which, independent non-executive directors shall account for more than one-third of the total number of the Board of Directors and shall not be less than three.

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Non-employee representative directors shall be elected or changed at the shareholders' general meeting, and can be removed before maturity of the term of office at a shareholders' general meeting. Directors shall serve a term of three years and may be re-elected for a consecutive term upon expiration of their term of office.

The term of office of a director shall commence from the date on which the said director assumes office until the expiry of the term of office of the current session of the Board of Directors.

Directors of the Company shall be natural persons. A person must satisfy the qualification requirements for directors under the applicable laws and regulations.

If an election or appointment of a director is taken place in contravention of this Article, the said election, appointment or engagement shall be invalid. If a director falls under any of the circumstances set out in this Article during his/her term of office, the Company shall remove him/her from office.

(7) Borrowing Powers

The Articles of Association does not contain specific provisions regarding the authority of directors to exercise borrowings powers. The Board of Directors has the authority to formulate protocols for the Company to issue bonds or other securities and for [REDACTED]. Such protocols for issuing bonds or other securities and for [REDACTED] must receive approval from the shareholders' general meeting. The shareholders' general meeting may authorize the Board of Directors to resolve on the issue of corporate bonds.

2. AMENDMENT OF THE ARTICLES OF ASSOCIATION

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

- (I) after amendments are made to the Company Law or relevant laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], the Articles of Association runs counter to such amendments;
- (II) the circumstances of the Company have changed, and are inconsistent with the matters recorded in the Articles of Association;
- (III) the shareholders' general meeting resolves to amend the Articles of Association.

If the amendment to the Articles of Association adopted by a resolution of the shareholders' general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of changes shall be dealt with in accordance with the law.

3. SPECIAL RESOLUTION TO BE PASSED BY A MAJORITY OF SHAREHOLDERS

There shall be two types of resolutions of the shareholders' general meetings, namely ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' general meeting shall be adopted by shareholders in attendance holding more than half of the voting rights.

A special resolution of the shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

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The shareholders referred to in this Article include shareholders who appoint proxies to attend the shareholders’ general meeting.

4. VOTING RIGHTS

Shareholders shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote.

The shares of the Company held by the Company shall have no voting rights and such shares shall not be included in the total number of shares present at shareholders’ general meetings with voting rights and shall not be deposited into the Central Clearing and Settlement System.

If the securities regulatory rules of the place where the Company’s shares are [REDACTED] require any shareholder to abstain from voting on a particular resolution or restrict any shareholder to vote only for (or against) a particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

5. RULES ON SHAREHOLDERS’ GENERAL MEETINGS

The shareholders’ general meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be called once a year and shall be held within six months after the end of the preceding fiscal year.

6. FINANCE AND AUDIT

(1) Financial and Accounting Policies

The Company shall formulate its own financial and accounting systems in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the requirements of relevant state departments. At the end of each fiscal year, the Company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the laws.

The financial and accounting reports shall be made available at the Company for inspection by the shareholders 20 days before the annual general meeting is held.

Except for statutory accounting books, the Company shall not prepare any other accounting books. The Company’s funds shall not be deposited into an account established in the name of any individual.

(2) Appointment and Dismissal of Accountants

The Company shall engage an independent accounting firm that meets the relevant national regulations and the regulatory requirements of the place where the Company’s shares are [REDACTED] to conduct accounting statement audit, net asset verification and other related consulting services, and the term of service shall be one year, which is renewable upon expiry of the term.

The appointment and removal of an accounting firm providing regular audit services to the Company shall be determined by shareholders’ general meeting.

The Company shall send a 30-day prior notice to the accounting firm when it intends to dismiss or not renew the appointment of the accounting firm, and the accounting firm is entitled to give opinions when the shareholders’ general meeting of the Company votes on the dismissal or non-renewal of the same.

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Where the accounting firm resigns, it shall state to the shareholders' general meeting whether the Company has improper circumstances.

7. NOTICE OF MEETING AND MATTERS DISCUSSED

The Company shall convene an extraordinary general meeting within two months after occurrence of any of the following circumstances:

- (I) the number of directors is less than the minimum quorum required by the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (II) where the unrecovered losses of the Company amount to one-third of its total share capital;
- (III) where shareholders who individually or collectively hold more than 10% of the shares of the Company request in writing;
- (IV) when the Board of Directors deems it necessary;
- (V) when the audit committee proposes to convene such a meeting;
- (VI) other circumstances as provided by the laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are [REDACTED] or the Articles of Association.

When the Company convenes a shareholders' general meeting, the Board of Directors, the audit committee and the shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may put forward a provisional proposal 10 days before the convening of the shareholders' general meeting and submit it to the convener in writing. The provisional proposals shall have clear subjects for discussion and specific issues for resolution. The convener shall issue a supplementary notice of the shareholders' general meeting within 2 days upon receipt of the proposals to announce the contents of the provisional proposals and submit the provisional proposals to the shareholders' general meeting for consideration, however, except for the provisional proposals that violate the requirements of the laws, administrative regulations or the Articles of Association, or are not within the terms of reference of the shareholders' general meeting.

Except as provided for in the preceding paragraph, the convener shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals after the notice of the shareholders' general meeting has been issued.

The convener shall notify all the shareholders of an annual general meeting by way of announcement at least 21 days prior to the convening thereof, and shall notify all the shareholders of an extraordinary general meeting by way of announcement 15 days prior to the convening thereof; the aforesaid duration shall not include the date on which the meeting is convened. If laws, regulations and the securities regulatory authorities of the place where the Company's shares are [REDACTED] stipulate otherwise, such provisions shall prevail.

The notice and the supplementary notice of the shareholders' general meeting shall fully and completely disclose all the specific contents of all proposals.

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To resolve on increase or decrease of the registered capital of the Company; to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company; to amend the Articles of Association; to deliberate the acquisition or disposal of material assets by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company; to deliberate share incentive plans and employee stock ownership plans; and other matters which are required by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association and are determined by an ordinary resolution of the shareholders’ general meeting to have material impact on the Company and therefore require a special resolution approval; shall be passed by a special resolution of the shareholders’ general meeting. All other matters shall be passed by an ordinary resolution of the shareholders’ general meeting.

Where the contents of a resolution of the Company’s shareholders’ general meeting or the Board of Directors violate any law or administrative regulation, shareholders are entitled to petition to the People’s Court to declare the resolution invalid.

Shareholders shall be entitled to request the People’s Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the shareholders’ general meeting or board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content violates the Articles of Association, except where the convening procedure or voting method of the shareholders’ general meeting or board meeting only has some minor defects, which produce no substantial effect on the resolution.

8. TRANSFER OF SHARES

Shares issued by the Company prior to the [REDACTED] of its shares may not be transferred within one year from the date of [REDACTED] and [REDACTED] of its shares on a stock exchange.

The directors and senior management members of the Company shall declare to the Company the number of shares of the Company they hold and the subsequent changes in their shareholdings. The shares transferrable by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares of the same class in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company’s shares are [REDACTED] for [REDACTED]. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

Where relevant requirements of the securities regulatory authorities of the place where the Company’s shares are [REDACTED] have any other provisions on the transfer restrictions of overseas [REDACTED] shares, such provisions shall prevail.

9. POWER OF THE COMPANY TO REPURCHASE ITS SHARES

The Company shall not repurchase its shares, save and except for any one of the following circumstances:

- (I) to reduce the registered capital of the Company;
- (II) merger with other companies that hold shares in the Company;
- (III) to use such shares in connection with employee stock ownership plans or share incentives;
- (IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders’ general meeting on the merger or division of the Company;

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- (V) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (VI) such circumstances that are necessary for the Company to safeguard its value and the interests of its shareholders;
- (VII) other circumstances stipulated by laws, administrative regulations and the regulatory rules of the place where the Company’s shares are [REDACTED].

The Company may repurchase its shares through trading in a public and centralized manner or other methods permitted by laws, administrative regulations, the Hong Kong Listing Rules and the securities regulatory authorities of the place where the Company’s shares are [REDACTED].

Where the Company repurchases its shares under the circumstances set out in items (III), (V) or (VI) above, the repurchase shall be conducted through open centralized trading.

Where the Company repurchases its own shares under the circumstances set out in items (I) and (II) above, it shall be subject to the resolution of the shareholders’ general meeting; Where the Company acquires its own shares under the circumstances set out in items (III), (V) and (VI) above, it may be resolved at the 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 shareholders’ general meeting. If it is otherwise provided in the securities regulatory rules of the place where the Company’s shares are [REDACTED], such rules shall prevail on the premise of not violating the provisions of the Company Law, the Securities Law, the Trial Administrative Measures and the Guidelines for the Articles of Association of Listed Companies.

Under the circumstance stipulated in item (I), the shares of the Company so repurchased shall be cancelled within ten days from the date of repurchase; under the circumstances stipulated in either item (II) or (IV), the shares of the Company so repurchased shall be transferred or cancelled within six months; in case of items (III), (V) and (VI), the number of its own shares held by the Company in aggregate shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

10. DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company may distribute profit in the form of cash or shares.

After the shareholders’ general meeting has resolved on the plan to allocate profits, or after the Board of Directors of the Company has formulated a specific plan based on the conditions and upper limit for the next year interim dividend approved by the annual general meeting, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months.

11. PROXY

Shareholders may attend the shareholders’ general meeting in person or, alternatively, appoint a proxy to attend and vote on their behalf.

The power of attorney issued by a shareholder to appoint another person to attend a shareholders’ general meeting shall contain the following particulars:

- (I) the name of the principal, the class and number of shares of the Company held by the principal;
- (II) the name of the proxy;

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- (III) the shareholder’s specific instructions, including respective instructions on for, against or abstention voting on each item for deliberation listed in the shareholders’ general meeting agenda;
- (IV) date of issuance of the proxy form and its validity period;
- (V) signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person entity shall be affixed.

12. INSPECTION OF REGISTER OF MEMBERS

The Company establishes the register of members according to the certificate provided by the securities registration and clearing institution. The register of members is sufficient evidence to prove that the shareholders hold the Company’s shares. A shareholder shall enjoy rights and have obligations according to the class of shares held by him. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

The [REDACTED] is maintained in Hong Kong for inspection by shareholders. However, the Company may suspend the registration of shareholders in accordance with applicable laws, regulations, and the securities regulatory rules of the place where the Company’s shares are [REDACTED], as well as under provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Any shareholder registered in the [REDACTED] or any person requesting to be registered in the register of [REDACTED] may apply to the Company for the issuance of new share certificates to replace lost share certificates. In the event of loss of share certificates by holders of overseas [REDACTED] foreign shares, applications for replacement may be processed in accordance with the laws of the jurisdiction where the original register of members of overseas [REDACTED] foreign shares is maintained, the rules of the relevant securities exchange, or other applicable regulations.

13. RIGHTS OF MINORITIES IN RELATION TO FRAUD OR OPPRESSION

If any director or senior management member (other than a member of the audit committee) violates laws and administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, the shareholder(s) severally or jointly holding more than 1% of the shares of the Company for more than 180 consecutive days shall have the right to request the audit committee in writing to institute legal proceedings at the People’s Court.

If a member of the audit committee violates laws and administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, the aforementioned shareholders may request the Board of Directors in writing to institute legal proceedings at the People’s Court. If the audit committee or the Board of Directors refuses to institute legal proceedings after receipt of the aforesaid signed written request or fails to institute legal proceedings within 30 days after receipt of the request, or if under urgent circumstances that any delay of legal proceedings may cause irrecoverable damages to the interests of the Company, the shareholders specified in the preceding paragraph shall have the right to directly institute legal proceedings at the People’s Court in their own names for the interest of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholders specified in paragraph 1 of this Article may institute legal proceedings at the People’s Court pursuant to the provisions of the preceding two paragraphs.

If the directors, supervisors or senior management member of a wholly-owned subsidiary of the Company are involved in any of the circumstances set forth in the preceding paragraph, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, shareholders who have held, individually or in the aggregate, more

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than 1% of the shares of the Company for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs, request, in writing, that the supervisory committee or the board of directors of the wholly-owned subsidiary institute legal proceedings at the People's Court, or directly institute legal proceedings in their own names at the People's Court.

In the event of a director or senior management member violates laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholder(s), the shareholder(s) may institute legal proceedings at the People's Court.

Shareholders of the Company who abuse their shareholders' rights and thereby cause damage to the Company or other shareholders shall be liable for compensation in accordance with the law; any shareholder of the Company who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

14. LIQUIDATION PROCEDURE

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

- (I) the term of its operations as is stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (II) dissolution has been resolved by the shareholders' general meeting;
- (III) dissolution is necessary due to merger or division of the Company;
- (IV) the Company's business license is revoked, or the Company is ordered to close down or dissolve in accordance with the law;
- (V) where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

On the occurrence of the events of dissolution set out in the preceding paragraph, the Company shall make an announcement on the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is to be dissolved pursuant to items (I), (II), (IV) or (V) above, it shall undergo liquidation. Directors shall act as the liquidation obligor and form a liquidation committee within 15 days from the date when the event of dissolution occurs to carry out liquidation.

The Company shall undergo liquidation in accordance with the provisions of items (I), (II), (IV) or (V) above. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time or fails to proceed with liquidation after forming a liquidation committee, any interested person may petition the People's Court to appoint the relevant persons to form a liquidation committee to liquidate the Company.

The liquidation committee shall notify creditors within 10 days from the date of its formation, and publish an announcement on the newspapers recognized by the company registration authority and the stock exchange where the Company's shares are [REDACTED], or on the National Enterprise Credit Information Publicity System and in the manner required by the stock exchange of the place where the Company's shares are [REDACTED] within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days from the publication if any such creditor has not received the notice.

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After the liquidation committee has thoroughly examined the Company’s assets and prepared a balance sheet and schedule of assets, it shall formulate the liquidation plan and submit such plan to the shareholders’ general meeting or a People’s Court for confirmation.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders’ general meeting or the People’s Court for verification. Thereafter, the report shall be submitted to the registration authority of the Company in order to apply for deregistration.

15. OTHER IMPORTANT PROVISIONS FOR THE COMPANY OR THE SHAREHOLDERS

(1) General Provisions

The Company is a perpetually existing joint stock limited company.

The shareholders shall hold responsibility to the Company in accordance with their shares, while the Company shall be responsible for its debts with all its assets.

The Articles of Association shall be legally binding on the Company and its shareholders, directors and senior management members.

(2) Capital Increase and Capital Reduction

In accordance with the laws and regulations, listing rules of the place where the Company’s shares are [REDACTED], the Company may, based on its operating and development needs and the resolutions of the shareholders’ general meeting, increase its capital.

The Company may reduce its registered capital. The reduction of registered capital by the Company shall be dealt with in accordance with the Company Law, the Hong Kong Listing Rules, other relevant regulations, and the procedures stipulated in the Articles of Association.

If the Company increases or reduces its registered capital, the Company shall, according to laws, apply for change in registration with the company registration authority.

(3) Shareholders

Shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other forms of distributions of benefits in proportion to the number of shares held;
- (II) the right to request to convene, summon, preside, attend or appoint a proxy to attend shareholders’ general meetings and to exercise the right to speak and the corresponding voting right in accordance with the law;
- (III) to supervise and manage business operations of the Company and to raise proposals or address inquiries accordingly;
- (IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association;
- (V) to review and copy the Articles of Association, the register of members, minutes of shareholders’ general meetings, resolutions of board meetings and financial and accounting reports. Eligible shareholders can examine account books and accounting documents of the Company;

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- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of residual assets of the Company according to the number of shares held by them;
- (VII) to request the Company to acquire their shares, provided that the procedures for the Company to repurchase shares as stipulated in the Articles of Association, relevant laws and regulations, and the securities regulatory authorities and stock exchanges of the place where the Company’s shares are [REDACTED] are satisfied, for shareholders who object to the Company’s resolution on merger or division made by the shareholders’ general meeting;
- (VIII) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Articles of Association.

Where any shareholder demands to review and make copies of the relevant information or obtain any of the above-mentioned materials, he/she shall submit to the Company written documents proving the class(es) and number of shares he/she holds. The Company shall provide the relevant information or materials as requested by the shareholder after verifying the shareholder’s identity in accordance with the Articles of Association.

The shareholders of the Company shall have the following obligations:

- (I) to comply with the laws, administrative regulations and the Articles of Association;
- (II) to provide share capital according to the shares subscribed for and share participation methods;
- (III) not to return shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse their shareholders’ rights to harm the Company’s or other shareholders’ interests; not to abuse the Company’s legal person independent status or the shareholders’ limited liability to harm the interests of the Company’s creditors;
- (V) to assume other obligations required by laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange of the place where the Company’s shares are [REDACTED] and the Articles of Association.

(4) Board of Directors

The Board of Directors exercises the following functions and powers:

- (I) to convene shareholders’ general meetings and report its work to the shareholders’ general meeting;
- (II) to implement the resolutions of shareholders’ general meetings;
- (III) to decide on the operation plan and investment scheme of the Company;
- (IV) to formulate the Company’s proposals for profit distribution and loss recovery;
- (V) to formulate proposals for increases or reductions of the Company’s registered capital and for the issuance and [REDACTED] of bonds or other securities;
- (VI) to formulate plans for the Company’s major acquisition, acquisition of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;

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- (VII) to decide, within the scope of authorization of the shareholders’ general meeting, on matters such as external investments, acquisition and sale of assets, pledging of assets, external guarantee matters, entrusted wealth management, connected transactions and external donations of the Company;
- (VIII) to decide on the setup of the Company’s internal management organs;
- (IX) to make decisions for appointing or dismissing the Company’s manager, secretary to the Board, and other senior management personnel, and to determine their remuneration and rewards and punishments; to appoint or dismiss the Company’s financial officer-in-charge and other senior management personnel based on the nomination of the manager, and to determine their remuneration and rewards and punishments;
- (X) to formulate the Company’s basic management system;
- (XI) to formulate the proposed amendments to the Articles of Association;
- (XII) to manage information disclosure by the Company;
- (XIII) to propose the appointment or replacement of an accounting firm that performs audits for the Company at the shareholders’ general meeting;
- (XIV) to listen to the work report of the manager of the Company and examine the manager’s work;
- (XV) to deliberate and approve external guarantee matters except for those requiring deliberation by the shareholders’ general meeting;
- (XVI) other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], the Articles of Association or the shareholders’ general meeting.

Matters exceeding the scope of authority delegated by the shareholders’ general meeting shall be submitted to the shareholders’ general meeting for consideration.

Meetings of the Board of Directors may be held only if more than one half of the directors are present. Unless otherwise provided in the Articles of Association, resolutions of the Board of Directors shall be passed by a simple majority of all directors.

(5) Independent Non-executive Directors

The Company has established a Board of Directors, which consists of 9 directors, of which non-executive directors refer to directors who do not hold management positions in the Company. Independent non-executive directors shall account for more than 1/3 of the total and shall not be less than three. At least one of the independent non-executive directors shall be a financial or accounting professional with appropriate accounting or relevant financial management expertise, or appropriate professional qualifications as referred to in the Listing Rules of the Hong Kong Stock Exchange. Independent non-executive directors shall include at least one person who is ordinarily resident in Hong Kong.

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(6) Secretary to the Board

The Company shall have a secretary to the Board, who shall be responsible for the preparation of the shareholders’ general meetings and board meetings of the Company, keeping of documents, management of shareholders’ information of the Company and handling matters such as information disclosure. The secretary to the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED] and the Articles of Association.

(7) Audit Committee

The Company’s Board of Directors shall establish an audit committee to exercise the powers of the supervisory committee as stipulated in the Company Law.

The audit committee shall consist of at least three directors, all of whom must be non-executive directors, with a majority being independent non-executive directors.

The audit committee shall be responsible for reviewing the Company’s financial information and disclosures, overseeing and evaluating internal and external audits and internal controls. The following matters shall be submitted to the board meetings only after obtaining approval by a majority of all audit committee members:

- (I) disclosure of financial information and internal control evaluation reports in financial and accounting reports and periodic reports;
- (II) hiring or dismissing the accounting firm that undertakes audits of a [REDACTED] company;
- (III) appointment or dismissal of the financial controller of a [REDACTED] company;
- (IV) changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;
- (V) other matters specified under laws, administrative regulations, CSRC rules, the business rules of the stock exchange of the place where the Company’s shares are [REDACTED] and the Articles of Association.

(8) Manager

The Company shall have one manager who shall be appointed or dismissed by the Board of Directors. The manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her work to the Board of Directors;
- (II) to organize and implement the Company’s annual business plans and investment plans;
- (III) to formulate the establishment plan of the internal management organization of the Company;
- (IV) to formulate the basic management system of the Company;
- (V) to formulate the Company’s specific rules;

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- (VI) to request the Board of Directors to appoint or dismiss the Company’s vice manager, financial controller, chief executive officer and chief financial officer;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) other functions and powers granted by the Articles of Association and the Board of Directors.

The manager shall be present at the meetings of the Board of Directors.

(9) Reserve Fund

When distributing the after-tax profit of the current year, the Company shall allocate 10% of its profit to the statutory reserve fund. Provided that no allocation is required if the accumulated statutory reserve fund represents more than 50 percent of the registered capital of the Company.

Where the statutory reserve fund of the Company is not sufficient to cover the Company’s loss from the previous year, the profits for the current year shall be used to cover such loss before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

After the Company has withdrawn statutory reserve fund from its profit after tax, it may also withdraw discretionary reserve fund from its profit after tax by resolution of the shareholders’ general meeting.

The post-tax profit left after the loss recovery and withdrawal of the reserves by the Company shall be distributed in proportion according to the shareholding proportions of the shareholders.

If the Company, in violation of the Company Law, distributes profits to the shareholders, the shareholders shall return the profits distributed in violation of the provision to the Company; in the event of any loss caused to the Company, the shareholders and the responsible directors and senior management members shall be liable for compensation.

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 the reserve fund is used to cover the Company’s losses, the discretionary reserve fund and statutory reserve fund shall be first used; if the losses still cannot be covered, the capital reserve fund may be used according to provisions.

When the statutory reserve fund is converted to increase registered capital, the amount of such reserve fund retained shall be no less than 25% of the registered capital of the Company before the conversion.