

## **APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATIONS**

### **SUMMARY OF ARTICLES OF ASSOCIATION**

This appendix contains a summary of the main provisions of the Articles of Association (draft) approved at the company’s first extraordinary shareholders’ meeting in 2026, and it will take effect from the date of [REDACTED] of H shares on the Hong Kong Stock Exchange. The primary purpose of this appendix is to provide potential [REDACTED] with an overview of the company’s articles of association, and it does not contain all the information that may be important to potential [REDACTED].

#### **1. General Provisions**

On December 18, 2007, the company received approval from the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) to issue 55 million ordinary shares in RMB to the public for the first time. It was listed on the Shenzhen Stock Exchange on January 16, 2008.

From the date of its entry into force, the Articles of Association of our company shall become a legally binding document regulating the organization and behavior of the company, as well as the rights and obligations between the company and its shareholders, and among shareholders. It shall be a legally binding document for the company, shareholders, directors, and senior management personnel. According to these Articles of Association, shareholders may sue other shareholders, shareholders may sue directors and senior management personnel of the company, shareholders may sue the company, and the company may sue shareholders, directors, and senior management personnel.

#### **2. Business purpose and scope**

After legal registration, the company’s business scope includes: general items: non-ferrous metal alloy manufacturing; non-ferrous metal rolling processing; metal material manufacturing; metal cutting processing services; sales of high-performance non-ferrous metals and alloy materials; sales of non-ferrous metal alloys; manufacturing of refrigeration and air conditioning equipment; sales of household appliance parts; sales of refrigeration and air conditioning equipment; solar power generation technology services; photovoltaic power generation equipment leasing; general cargo warehousing services (excluding items requiring licensing approval such as hazardous chemicals); production waste metal recycling; renewable resource sales; renewable resource processing. (Except for items that require approval according to law, business activities shall be carried out independently in accordance with the business license.).

#### **3. Shares**

##### **(1) Share issuance**

The shares of the company are in the form of stocks.

The issuance of the company’s shares adheres to the principles of openness, fairness, and impartiality, with each share of the same category possessing equal rights.

For shares of the same category issued at the same time, the issuance conditions and prices per share are the same; subscribers pay the same price per share for the shares they subscribe to.

The par value of the shares issued by the company is indicated in Renminbi. The shares issued by the company and listed on the Shenzhen Stock Exchange are hereinafter referred to as “A shares”, while the shares [REDACTED] by the company and [REDACTED] on the Hong Kong Stock Exchange are hereinafter referred to as “H shares”.

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The A shares issued by the company are centrally depository with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch. The H shares [REDACTED] by the company can be depository with the entrusted management company under the Hong Kong Securities Clearing Company Limited in accordance with the laws of the listing place and the conventions of securities registration and depository, or can be held by shareholders in their personal names.

### **(2) *Share increase/decrease and repurchase***

In accordance with the needs of operation and development, and pursuant to the provisions of laws and regulations, the company may, upon resolutions made by the shareholders’ meeting, increase its capital in the following ways:

- i. Issue shares to unspecified objects;
- ii. Issue shares to specific targets;
- iii. Distribute bonus shares to existing shareholders;
- iv. Convert public accumulation funds into share capital;
- v. Other methods stipulated by laws, administrative regulations, and the CSRC.

The company may reduce its registered capital. When reducing its registered capital, the company shall follow the procedures stipulated in the Company Law, other relevant regulations, and these Articles of Association.

The company shall not purchase its own shares. Under the following circumstances, the company may purchase its own shares in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company’s stock is listed, and the provisions of these Articles of Association:

- i. Reducing the registered capital of the company;
- ii. Merging with other companies that hold shares of our company;
- iii. Use the shares for employee stock ownership plans or equity incentives;
- iv. Shareholders request the company to purchase their shares due to their dissent against the merger or division resolution made by the shareholders’ meeting;
- v. Use the shares to convert corporate bonds issued by the company that are convertible into stocks;
- vi. It is necessary for the company to safeguard its corporate value and shareholders’ interests;
- vii. Other circumstances permitted by laws, administrative regulations, securities regulatory rules of the place where the company’s stock is listed, etc.

### **(3) *Share transfer***

The shares of the company shall be transferred in accordance with the law. All transfers of H shares shall be made by a written instrument of transfer in the usual or common form or any other form acceptable to the board of directors (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may only be executed by handwriting or affixed with the valid seal of the company (if the transferor

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or transferee is the company). If the transferor or transferee is a recognized clearing house (hereinafter referred to as “recognized clearing house”) or its agent as defined in the relevant regulations in force from time to time under the laws of Hong Kong, the instrument of transfer may be signed by handwriting or machine printing. All instruments of transfer shall be kept at the statutory address of the company or at such other address as the board of directors may from time to time designate.

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

Shares issued by a company prior to its public offering shall not be transferred within one year from the date its shares are listed and traded on a stock exchange.

Company directors and senior management personnel shall declare to the company the shares (including preferred shares) they hold in the company and any changes to their holdings. During their term of office determined at the time of appointment, the number of shares transferred each year shall not exceed 25% of the total number of shares of the same category they hold in the company. The shares they hold in the company shall not be transferred within one year from the date the company’s stock is listed and traded. Within half a year after leaving their positions, the aforementioned personnel shall not transfer the shares they hold in the company.

If the securities regulatory rules of the place where the company’s stock is [REDACTED] stipulate otherwise regarding the restrictions on the transfer of the company’s shares, such provisions shall prevail.

### **4. Shareholders and shareholders’ meeting**

#### ***(1) General provisions for shareholders***

The company establishes the register of shareholders based on the vouchers provided by the securities registration and clearing institution. The register of shareholders serves as sufficient evidence to prove that shareholders hold shares in the company. The original register of H-share shareholders is stored in Hong Kong for shareholders to inspect. The company may suspend the registration procedures for shareholders in accordance with applicable laws and regulations as well as the securities regulatory rules of the place where the company’s shares are listed. Shareholders enjoy rights and bear obligations according to the type of shares they hold; shareholders holding the same type of shares enjoy equal rights and bear the same obligations.

Any shareholder registered on the shareholders’ register or any person requesting to have their name (or title) registered on the shareholders’ register may apply to the company for a replacement share certificate if their share certificate is lost. H-share shareholders who lose their share certificates and apply for replacement may handle the matter in accordance with the laws of the place where the original H-share shareholders’ register is kept, the rules of the securities exchange, or other relevant regulations.

Any change to the rights attached to a class of shares shall be subject to the approval of at least two-thirds of the voting rights held by shareholders who hold shares of the same class and have the voting rights to amend the rights of the class of shares.

#### ***(2) Controlling shareholders and actual controllers***

The controlling shareholders and actual controllers of a company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and stock exchanges, in order to safeguard the interests of listed companies.

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### **(3) *General provisions of the shareholders' meeting***

The shareholders' meeting of the company is composed of all shareholders. As the company's authority, the shareholders' meeting exercises the following functions and powers according to law:

- i. Elect and replace directors not assumed by employee representatives, and decide on matters relating to the remuneration of directors;
- ii. Deliberate and approve the report of the board of directors;
- iii. Deliberate and approve the company's profit distribution plan and loss recovery plan;
- iv. Make resolutions on the increase or reduction of the company's registered capital;
- v. Make resolutions on the issuance of corporate bonds;
- vi. Making resolutions on the merger, division, dissolution, liquidation, or change of corporate form of the company;
- vii. Amend the Articles of Association;
- viii. Make resolutions on the employment and dismissal of accounting firms that undertake the company's audit business;
- ix. Deliberate and approve the guarantee matters stipulated in Article 47 of this Articles of Association;
- x. Deliberate matters related to the company's purchase or sale of major assets within one year that exceed 30% of the company's latest audited total assets;
- xi. Deliberate and approve matters related to changing the purpose of the raised funds;
- xii. Review the equity incentive plan and employee stock ownership plan;
- xiii. Deliberate other matters that shall be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's stocks are listed, or these Articles of Association.

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

In any of the following circumstances, the company shall convene an extraordinary shareholders' meeting within 2 months from the date the event occurs:

- i. The number of directors is less than 2/3 of the number stipulated in the Company Law or the number specified in these Articles of Association;
- ii. When the company's unrecovered losses reach one-third of the total share capital;
- iii. Upon request by shareholders individually or collectively holding more than 10% of the company's shares;
- iv. When the board of directors deems it necessary;
- v. When the audit committee proposes to convene;

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- vi. Other circumstances stipulated by laws, administrative regulations, departmental rules, other securities regulatory rules of the place where the company's stock is listed, or these Articles of Association.

### **(4) *Convening of the shareholders' meeting***

The board of directors should convene the shareholders' meeting on time within the prescribed time limit.

With the consent of more than half of all independent directors, the independent directors have the right to propose to the board of directors to convene an extraordinary shareholders' meeting. For the proposal of the independent directors to convene an extraordinary shareholders' meeting, the board of directors shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's stock is listed, and the provisions of these Articles of Association, provide written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening the meeting will be issued within 5 days after the board of directors makes the resolution; if the board of directors does not agree to convene an extraordinary shareholders' meeting, it will state the reasons and make an announcement.

The audit committee has the right to propose to the board of directors to convene an extraordinary shareholders' meeting and shall submit the proposal in writing to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations, and these Articles of Association, provide written feedback on whether to agree or disagree to convene an extraordinary shareholders' meeting within 10 days after receiving the proposal.

If the board of directors agrees to convene an extraordinary shareholders' meeting, a notice for convening the meeting will be issued within 5 days after the board of directors makes the resolution. Any changes to the original proposal in the notice shall be subject to the consent of the audit committee.

If the board of directors does not agree to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days after receiving the proposal, it shall be deemed that the board of directors is unable or unwilling to perform its duty of convening the shareholders' meeting. The audit committee may convene and preside over the meeting on its own.

Shareholders individually or collectively holding more than 10% of the company's shares have the right to request the board of directors to convene an extraordinary shareholders' meeting and shall submit their request in writing to the board. The board of directors shall, in accordance with laws, administrative regulations, and the provisions of these Articles of Association, provide written feedback on whether or not to convene an extraordinary shareholders' meeting within 10 days after receiving the request.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the meeting within 5 days after the board of directors has made the resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days after receiving the request, shareholders individually or collectively holding more than 10% of the company's 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.

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If the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the meeting within 5 days of receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the audit committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the audit committee does not convene and preside over the shareholders' meeting. Shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

### ***(5) Proposals and notices of the shareholders' meeting***

When the company holds a shareholders' meeting, the board of directors, the audit committee, and shareholders individually or jointly holding more than 1% of the company's shares have the right to submit proposals to the company.

Shareholders individually or collectively holding more than 1% of the company's shares may submit an interim proposal in writing to the convener 10 days before the shareholders' meeting is held. The interim proposal should have clear topics and specific resolutions. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announce the content of the interim proposal, and submit it to the shareholders' meeting for consideration, except where the interim proposal violates laws, administrative regulations, securities regulatory rules of the place where the company's stock is listed, or the company's articles of association, or does not fall within the scope of the shareholders' meeting's authority.

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

The shareholders' meeting shall not vote on or make resolutions on proposals that are not listed in the notice or do not comply with the provisions of these Articles of Association.

The convener will notify all shareholders in writing (including through an announcement) 20 days prior to the convening of the annual shareholders' meeting, and 15 days prior to the convening of the extraordinary shareholders' meeting. When calculating the starting period, the company excludes the day of the meeting.

### ***(6) Convening of the shareholders' meeting***

All ordinary shareholders or their proxies registered on the record date of the equity registration are entitled to attend the shareholders' meeting. They shall exercise their voting rights in accordance with relevant laws, regulations, securities regulatory rules of the place where the company's stock is listed, and these Articles of Association (unless individual shareholders are required by securities regulatory rules of the place where the company's stock is listed to abstain from voting on specific matters).

Shareholders may attend the shareholders' meeting in person, or they may appoint an agent to attend, speak, and vote on their behalf. The agent does not need to be a shareholder of the company.

The shareholders' meeting shall be presided over by the chairman of the board. If the chairman is unable to perform his duties or fails to perform his duties, a director jointly recommended by a majority of the directors shall preside over the meeting.

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The shareholders' meeting convened by the audit committee shall be presided over by the convener of the audit committee. If the convener of the audit committee is unable to perform his/her duties or fails to perform his/her duties, a 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 shareholders themselves shall be presided over by the convener or a representative elected by the convener.

When convening a shareholders' meeting, if the meeting chairperson violates the rules of procedure, making it impossible for the shareholders' meeting to continue, with the consent of more than half of the shareholders present who have voting rights, the shareholders' meeting may elect a new person to serve as the meeting chairperson and continue the meeting.

The shareholders' meeting shall have meeting minutes, which shall be in the charge of the secretary of the board of directors. The meeting minutes shall record the following contents:

- i. Time, location, agenda, and name or title of the convener of the meeting;
- ii. The name of the meeting chairperson, as well as the directors and senior management personnel who attended or were present at the meeting;
- iii. The number of shareholders and agents attending the meeting, the total number of voting shares held, and their proportion in the total number of shares of the company;
- iv. The deliberation process, key points of speeches, and voting results for each proposal;
- v. Shareholders' inquiries or suggestions, as well as corresponding replies or explanations;
- vi. The names of the lawyers, vote counters, and scrutineers;
- vii. Other contents that shall be included in the meeting minutes as stipulated in these Articles of Association.

### ***(7) Voting and resolutions of the shareholders' meeting***

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution passed by the shareholders' meeting shall be approved by more than half of the voting rights held by the shareholders attending the meeting.

A special resolution passed by the shareholders' meeting shall require the approval of more than two-thirds of the voting rights held by the shareholders attending the meeting.

The following matters shall be passed by the shareholders' meeting through ordinary resolutions:

- i. Work report of the board of directors;
- ii. Profit distribution plans and loss recovery plans drafted by the board of directors;
- iii. Appointment and dismissal of board members, as well as their remuneration and payment methods;

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- iv. Other matters except those that shall be passed by special resolution as stipulated by laws, administrative regulations, securities regulatory rules of the place where the company's stock is listed, or as stipulated in these Articles of Association.

The following matters shall be approved by the shareholders' meeting through a special resolution:

- i. Increase or decrease of the company's registered capital;
- ii. Division, spin-off, merger, dissolution, and liquidation of the company;
- iii. Modification of these Articles of Association;
- iv. The amount of significant assets purchased or sold by the company, or guarantees provided to others, within one year exceeds 30% of the company's latest audited total assets;
- v. Equity incentive plan;
- vi. Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the company's stock is listed, or these Articles of Association, as well as matters that the shareholders' meeting deems, through an ordinary resolution, to have a significant impact on the company and require a special resolution for approval.

### **5. Directors and Board of Directors**

#### **(1) General provisions for directors**

Company directors may include executive directors, non-executive directors, and independent directors. Non-executive directors refer to directors who do not hold management positions in the company. If a company director is a natural person, they cannot serve as a director of the company in any of the following circumstances:

- i. Having no civil capacity or limited civil capacity;
- ii. Those who have been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economic order, or who have been deprived of political rights due to a crime, and the execution period has not exceeded five years, or who have been granted probation and the probation period has not exceeded two years from the date of expiration;
- iii. Having served as a director, factory director, or manager of a company or enterprise that went bankrupt and was liquidated, and being personally responsible for the bankruptcy of the company or enterprise, where less than 3 years have elapsed since the completion of the bankruptcy and liquidation of the company or enterprise;
- iv. Having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to illegal activities, and being personally responsible for such revocation or closure, and the period since the revocation or closure of the company or enterprise has not exceeded 3 years;
- v. An individual who has a relatively large amount of debt that has not been paid off upon maturity and has been listed as a dishonest and defaulting party by the people's court;
- vi. Those who have been punished by the CSRC with a ban on entering the securities market, and the period of prohibition has not expired;

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- vii. Those who have been publicly identified by the stock exchange as unsuitable to serve as directors or senior management personnel of listed companies, and the period has not expired;
- viii. Other contents stipulated by laws, administrative regulations, securities regulatory rules of the place where the company's stock is listed, or departmental regulations.

If directors are elected or appointed in violation of this provision, such election, appointment, or employment shall be invalid. If any of the circumstances specified in this provision occurs to a director during his term of office, the company shall remove him from his position and cease his performance of duties.

### **(2) *Board of directors***

The company establishes a board of directors, consisting of 10 directors, which can be divided into executive directors, non-executive directors, and independent non-executive directors. Among them, there is one director who is a representative of the employees and four independent directors. The company has one chairman, who is elected by the board of directors with the support of more than half of all directors. Except for the re-election required upon the expiration of the term, the number of directors re-elected and replaced each year shall not exceed one-third of the total number of directors on the board.

The board of directors exercises the following functions and powers:

- i. Convene the shareholders' meeting and report work to the shareholders' meeting;
- ii. Implement the resolutions of the shareholders' meeting;
- iii. Determine the company's business plans and investment strategies;
- iv. Formulate the company's profit distribution plan and loss recovery plan;
- v. Formulate plans for the company to increase or decrease its registered capital, issue bonds or other securities, and go public;
- vi. Formulate plans for major acquisitions, acquisition of the company's own shares, or mergers, divisions, dissolutions, and changes in the company's form;
- vii. Within the scope authorized by the shareholders' meeting, decide on matters such as the company's foreign investment, acquisition and sale of assets, asset pledge, external guarantees, entrusted financial management, related party transactions, and external donations;
- viii. Decide on the establishment of the company's internal management structure;
- ix. Decide on the appointment or dismissal of the company's president, secretary of the board, and other senior management personnel, and decide on their remuneration and reward and punishment matters; based on the nomination of the president, appoint or dismiss the company's vice president, chief financial officer, and other senior management personnel, and decide on their remuneration and reward and punishment matters;
- x. Formulate the basic management system of the company;
- xi. Formulate the amendment plan for these Articles of Association;

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- xii. Managing the company's information disclosure matters;
- xiii. Submit a proposal to the shareholders' meeting to hire or replace the accounting firm auditing the company;
- xiv. Listen to the work report of the company's president and inspect the president's work;
- xv. Other functions and powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the company's stock is listed, or these Articles of Association, or the shareholders' meeting;

Matters that exceed the scope authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

### **(3) *Independent director***

Independent directors shall conscientiously fulfill their duties in accordance with laws, administrative regulations, securities regulatory rules of the place where the company's stock is listed, and the provisions of these Articles of Association. They shall play a role in participating in decision-making, exercising supervision and checks and balances, and providing professional advice within the board of directors, safeguarding the overall interests of the company, and protecting the legitimate rights and interests of minority shareholders. The company shall appoint appropriate personnel to serve as independent directors in accordance with relevant laws and regulations, including at least one accounting professional with a senior professional title or certified public accountant qualification.

As members of the board of directors, independent directors bear the obligations of loyalty and diligence towards the company and all shareholders, and shall prudently perform the following duties:

- i. Participate in board decision-making and express clear opinions on the matters discussed;
- ii. Supervise potential major conflicts of interest between the company and its controlling shareholders, actual controllers, directors, and senior management personnel, and protect the legitimate rights and interests of minority shareholders;
- iii. Provide professional and objective advice on the company's business development, and promote the improvement of the board's decision-making level;
- iv. Other responsibilities stipulated by laws, administrative regulations, regulations of the CSRC, securities regulatory rules of the place where the company's stock is listed, and these Articles of Association.

### **(4) *Special committee of the board of directors***

The company's board of directors establishes an audit committee to exercise the powers of the board of supervisors as stipulated in the Company Law and other powers as stipulated by the regulatory rules of the place where the company's stock is listed.

The board of directors of the company establishes strategic and ESG committees, nomination, compensation, and assessment committees, and other specialized committees, which perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals from the specialized committees shall be submitted to the board of directors for review and decision. The working procedures of the specialized committees are formulated by the board of directors.

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### **6.    Senior management personnel**

The company shall have one president, who shall be appointed or dismissed by the board of directors.

The company has four vice presidents, who are appointed or dismissed by the board of directors.

The president is responsible to the board of directors and exercises the following functions and powers:

- i.    Preside over the company's production, operation, and management work, organize the implementation of board resolutions, and report work to the board of directors;
- ii.   Organize the implementation of the company's annual business plans and investment schemes;
- iii.   Formulate the plan for the establishment of the company's internal management structure;
- iv.   Formulate the basic management system of the company;
- v.    Formulate specific regulations for the company;
- vi.   To propose to the board of directors the appointment or dismissal of the vice president and chief financial officer of the company;
- vii.   Decide on the appointment or dismissal of management personnel other than those who shall be appointed or dismissed by the board of directors;
- viii. Other functions and powers granted by these Articles of Association or the board of directors.

The president attends the board meeting.

If senior management personnel perform their duties in a way that causes harm to others, the company will bear the liability for compensation; if senior management personnel are found to have committed intentional misconduct or gross negligence, they shall also bear the liability for compensation.

Senior management personnel of the company shall faithfully perform their duties and safeguard the best interests of the company and all shareholders.

If senior management personnel of a company fail to perform their duties faithfully or violate their fiduciary duties, causing harm to the interests of the company and public shareholders, they shall bear the liability for compensation in accordance with the law.

### **7.    Financial accounting system, profit distribution, and auditing**

#### ***(1)   Financial accounting system***

The company shall formulate its financial and accounting system in accordance with laws, administrative regulations, and the provisions of relevant departments of the state.

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When distributing its after-tax profits for the current year, a company shall allocate 10% of the profits to its statutory common reserve fund. If the cumulative amount of the company’s statutory common reserve fund exceeds 50% of its registered capital, no further allocation is required.

If the company’s statutory common reserve fund is insufficient to cover losses from previous years, the profits of the current year shall be used to cover the losses before the statutory common reserve fund is withdrawn in accordance with the provisions of the preceding paragraph.

After the company has allocated funds to the statutory common reserve fund from its after-tax profits, it may, upon a resolution passed by the shareholders’ meeting, further allocate funds to the discretionary common reserve fund from the same after-tax profits.

The remaining after-tax profits after the company has covered its losses and allocated the provident fund shall be distributed according to the proportion of shares held by the shareholders, except where these Articles of Association stipulates otherwise.

If the shareholders’ meeting violates the Company Law, the shareholders shall return the profits distributed in violation of the regulations to the company; if such violation causes losses to the company, the shareholders and the responsible directors and senior management personnel shall bear the liability for compensation.

The shares of the company held by the company itself will not participate in profit distribution.

The company must appoint one or more receiving agents in Hong Kong for H-share holders. The receiving agent(s) shall collect and hold the dividends and other payables allocated by the company in respect of the H shares on behalf of the relevant H-share holders, pending payment to such H-share holders. The receiving agent(s) appointed by the company shall comply with the requirements of laws and regulations as well as the securities regulatory rules of the place where the company’s shares are listed.

### **(2) *Internal audit***

The company implements an internal audit system, which clarifies the leadership structure, responsibilities and authorities, staffing, funding support, utilization of audit results, and accountability for internal audit work.

The internal audit system of the company shall be implemented upon approval by the board of directors and disclosed to the public.

### **(3) *Appointment of accounting firm***

The company employs an accounting firm that complies with the provisions of the Securities Law to conduct audits of accounting statements, verification of net assets, and other related consulting services. The employment period is one year, with the possibility of renewal.

The appointment and dismissal of accounting firms by the company must 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 guarantees to provide the accounting firm it hires with authentic and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide them, conceal them, or make false reports.

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When the company dismisses or does not renew the appointment of an accounting firm, it shall notify the accounting firm 30 days in advance. When the shareholders’ meeting of the company votes on the dismissal of the accounting firm, the accounting firm is allowed to present its opinions.

If an accounting firm proposes to resign, it shall explain to the shareholders’ meeting whether there are any improper circumstances in the company.

### **8. Notices and Announcements**

#### **(1) Notice**

The company’s notice is issued in the following form:

- i. Sent by a designated person;
- ii. Sent via email;
- iii. Through announcement (including on the designated website and the company’s website in the manner specified by the stock exchange where the company’s stock is listed);
- iv. Other forms recognized by relevant regulatory authorities in the place where the company’s stock is listed, or as stipulated in these Articles of Association.

#### **(2) Announcement**

The company designates at least one newspaper from the Securities Times, China Securities Journal, Shanghai Securities News, and Securities Daily as the designated newspaper for publishing company announcements and other information that needs to be disclosed.

The company designates CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the Hong Kong Stock Exchange’s HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) as the websites for publishing company announcements and other information that needs to be disclosed.

### **9. Merger, division, capital increase, capital reduction, dissolution, and liquidation**

#### **(1) Merger, division, capital increase, and capital reduction**

Company mergers can be conducted through either merger by absorption or merger by new establishment.

When one company absorbs another company, it is called a merger by absorption, and the absorbed company is dissolved. When two or more companies merge to establish a new company, it is called a consolidation, and all parties involved in the merger are dissolved.

Where the payment for the merger of a company does not exceed 10% of the net assets of the company, a resolution of the shareholders’ meeting may not be required, unless otherwise provided for in these Articles of Association.

If the company intends to merge in accordance with the preceding paragraph without a resolution of the shareholders’ meeting, it shall obtain a resolution of the board of directors.

For the merger of companies, the parties to the merger shall sign a merger agreement and prepare a balance sheet and an inventory of property. The company shall notify creditors within 10 days from the date of making the merger resolution, and make an announcement on the company’s designated newspaper or on the National Enterprise Credit Information Publicity System within 30

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days. Creditors may, within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice, require the company to pay off its debts or provide corresponding guarantees.

When companies merge, the claims and debts of the merging parties shall be inherited by the surviving company or the newly established company after the merger.

When a company undergoes a division, its assets are divided accordingly.

In the event of a corporate division, a balance sheet and an inventory of property shall be prepared. The company shall notify creditors within 10 days from the date of making the division resolution, and shall make an announcement on the company's designated newspaper or on the National Enterprise Credit Information Publicity System within 30 days.

The companies after the division shall bear joint and several liability for the debts of the company before the division, unless otherwise agreed upon in a written agreement reached between the company and its creditors regarding debt settlement before the division.

When reducing its registered capital, the company shall prepare a balance sheet and an inventory of property.

The company shall notify creditors within 10 days from the date the shareholders' meeting makes a resolution to reduce the registered capital, and shall make an announcement on the company's designated newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors have the right to demand that the company pay off its debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they did not receive the notice.

When a company reduces its registered capital, the amount of capital contributions or shares held by shareholders shall be reduced accordingly in proportion to their shareholdings, except where otherwise provided by law or these Articles of Association.

If, after making up for losses in accordance with the provisions of Paragraph 2 of Article 158 of these Articles of Association, the company still has losses, it may reduce its registered capital to make up for the losses. In the event of reducing registered capital to make up for losses, the company shall not distribute to shareholders, nor shall it exempt shareholders from their obligation to pay capital contributions or share proceeds.

Where the registered capital is reduced in accordance with the preceding paragraph, the provisions of Paragraph 2 of Article 183 of these Articles of Association shall not apply, but an announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days from the date on which the shareholders' meeting adopts the resolution to reduce the registered capital.

After the company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of statutory common reserve fund and discretionary common reserve fund reaches 50% of the company's registered capital.

If the registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds they have received, and those who have reduced or waived their capital contributions shall restore the original state; if losses are caused to the company, the shareholders and the responsible directors and senior management personnel shall bear the liability for compensation.

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When the company issues new shares to increase its registered capital, shareholders do not have a preemptive right, unless otherwise provided for in these Articles of Association or decided by a resolution of the shareholders' meeting.

In the event of a merger or division of a company, where there is a change in registered items, the company shall go through the change registration with the company registration authority in accordance with the law; where the company is dissolved, it shall go through the company deregistration in accordance with the law; where a new company is established, it shall go through the company establishment registration in accordance with the law.

When a company increases or reduces its registered capital, it shall go through the change registration procedures with the company registration authority in accordance with the law.

### **(2) *Dissolution and liquidation***

The company is dissolved for the following reasons:

- i. The business term specified in these Articles of Association expires or other reasons for dissolution specified in these Articles of Association occur;
- ii. The shareholders' meeting resolves to dissolve the company;
- iii. Dissolution is required due to the merger or division of the company;
- iv. Its business license is revoked, or it is ordered to close down or is dissolved in accordance with the law;
- v. If the company encounters serious difficulties in its operation and management, and continuing to exist would cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the total voting rights of the company may petition the people's court for the dissolution of the company.

If a company encounters any of the reasons for dissolution specified in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

If the company falls under the circumstances specified in Item (i) of Article 189 of these Articles of Association, and has not yet distributed property to its shareholders, it may continue to exist by amending these Articles of Association or through a resolution passed by the shareholders' meeting.

Any amendment to these Articles of Association or resolution made by the shareholders' meeting in accordance with the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

If the company is dissolved due to the provisions in items (i), (ii), (iv), and (v) of Article 189 of these Articles of Association, it shall proceed with liquidation. The directors are obligated to liquidate the company and shall form a liquidation team within 15 days from the date the cause for dissolution arises. The liquidation team shall consist of directors. If the liquidation team is not formed within the prescribed time limit, creditors may apply to the people's court to designate relevant personnel to form a liquidation team for liquidation.

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The liquidation team shall exercise the following functions and powers during the liquidation period:

- i. Liquidate the company's assets and prepare a balance sheet and an inventory of assets separately;
- ii. Notify and announce to creditors;
- iii. Handling and settling the company's unfinished business related to liquidation;
- iv. Pay off all outstanding taxes and taxes incurred during the liquidation process;
- v. Clearing up claims and debts;
- vi. Dispose of the remaining assets after the company has paid off its debts;
- vii. Represent the company in civil litigation activities.

The liquidation team shall notify creditors within 10 days from the date of its establishment and make an announcement on the newspaper designated by the company within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they did not receive the notice.

When declaring their claims, creditors shall specify the relevant details of the claims and provide supporting materials. The liquidation team shall register the claims.

During the period of declaring creditor's rights, the liquidation team shall not pay off the creditors.

After liquidating the company's assets and preparing the balance sheet and inventory of property, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After paying liquidation expenses, wages of employees, social insurance premiums, statutory compensation, outstanding taxes, and company debts, the remaining company property shall be distributed according to the proportion of shares held by shareholders.

During the liquidation period, the company remains in existence but cannot engage in any business activities unrelated to the liquidation. The company's assets will not be distributed to shareholders until they have been liquidated in accordance with the provisions of the preceding paragraph.

After liquidating the company's assets and preparing the balance sheet and inventory of property, if the liquidation team finds that the company's assets are insufficient to pay off its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation team shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the liquidation of the company is completed, the liquidation team shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and then submit it to the company registration authority to apply for cancellation of the company's registration.

The liquidation team shall perform its liquidation duties and bear the obligations of fidelity and diligence.

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## **APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATIONS**

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If a member of the liquidation team is negligent in performing their liquidation duties, resulting in losses to the company, they shall bear the liability for compensation; if they intentionally or due to gross negligence cause losses to creditors, they shall also bear the liability for compensation.

If a company is legally declared bankrupt, it shall proceed with bankruptcy liquidation in accordance with the relevant laws on corporate bankruptcy.

### **10. Amend the charter**

In any of the following circumstances, the company will amend its Articles of Association:

- i. After the amendment of the Company Law or relevant laws, administrative regulations, and securities regulatory rules of the place where the company's stock is listed, the matters stipulated in the Articles of Association conflict with the amended laws, administrative regulations, and securities regulatory rules of the place where the company's stock is listed;
- ii. The situation of the company has changed, which is inconsistent with the matters recorded in the Articles of Association;
- iii. The shareholders' meeting decides to amend the Articles of Association.

### **11. Dispute Resolution and Applicable Law**

Disputes and claims arising between foreign shareholders and the company, between foreign shareholders and directors, presidents, or other senior management personnel of the company, and between foreign shareholders and domestic shareholders, based on the rights and obligations stipulated in the company's Articles of Association and relevant laws and regulations, and related to company affairs, shall be governed by the laws and regulations of the People's Republic of China.

The disputes and claims mentioned in the preceding paragraph shall be resolved through friendly negotiation between the disputing parties or multiple parties. Alternatively, the parties may apply to an arbitration institution for arbitration, or bring a lawsuit to the people's court where the company is located.