

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix sets out summaries of the main clauses of our Articles of Association adopted on April 21, 2023 which shall become effective as at the date on which the H shares are [REDACTED] on the Stock Exchange. As the main purpose of this Appendix is to provide potential [REDACTED] with an overview of the Articles of Association, it may not necessarily contain all information that is important for prospective [REDACTED]. As discussed in the appendix headed “Appendix VII – Documents Delivered to the Registrar of Companies and Available on Display” to this document, the full document of the Articles of Association in Chinese is available for examination.

### 1 DIRECTORS AND BOARD OF DIRECTORS

#### (1) Power to allocate and issue Shares

The Articles of Association does not contain clauses that authorize the Board of Directors to allocate or issue shares. The Board of Directors shall prepare suggestions for share allotment or issue, which are subject to approval by the Shareholders at the general Shareholders’ meeting (“**General Meeting**”) in the form of a special resolution. Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

#### (2) Power to dispose assets of our Company or any subsidiary

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the General Meeting for approval.

#### (3) Guarantees of Loans to Directors, Supervisors or other management personnel

The external guarantee matters of the Company shall be submitted to the Board of Directors or the General Meeting for deliberation.

The following acts of external guarantee of the Company shall be submitted to the General Meeting for deliberation and approval after being reviewed and approved by the Board of Directors:

- i. any single guarantee for an amount more than 10% of the Company’s net assets audited in the latest period;
- ii. any guarantee to be provided after the total amount of external guarantees provided by the Company or the subsidiaries it controls has exceeded 50% of the Company’s net assets as audited in the latest period;

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- iii. any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- iv. any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its total assets as audited in the latest period;
- v. the amount guaranteed by the Company within one year exceeds 30% of its latest audited total assets;
- vi. any guarantee to be provided to a Shareholder, or to an ultimate controller or related party;
- vii. other external guarantees that meet the requirements of stock exchange and the Articles of Association and can take effect only after being reviewed and approved by the General Meeting.

**(4) Provide financial assistance for acquiring the shares of the Company or shares of any subsidiary**

The Company or its subsidiaries (including its subsidiaries) will not provide any financial assistance to the person who purchases or intends to purchase the company's shares in the form of gifts, advances, guarantees, compensation or loans.

**(5) Remuneration**

The appointment and removal of the members of the Board of Directors and the Board of Supervisors, as well as their remuneration and payment methods, shall be adopted by the General Meeting by ordinary resolution.

**(6) Appointment, Resignation and Dismissal**

The Board of Directors is composed of nine directors, including three independent directors. The directors of the Company are elected by the General Meeting. At any time, the Board of Directors should have more than 1/3 independent Directors, and the total number of independent directors should not be less than three.

The Board of Directors has one chairman. The chairman of the Board of Directors shall be elected by more than half of all Directors. The Directors shall be elected or replaced by the General Meeting, and may be removed by the General Meeting through an ordinary resolution before the expiration of their term of office.

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The chairman of the Board and other Directors serve three-year terms, and the director can be re-elected and reappointed at the end of the term. The general manager or other senior managers may concurrently serve as directors. However, the total number of directors concurrently serving as the general manager or other senior managers shall not exceed half of the total number of directors of the Company.

None of the following persons shall serve as our Director, Supervisor or senior management:

- i. a person who has no civil capacity or has limited civil capacity;
- ii. a person who has been sentenced to a term of imprisonment for any of the following crimes and five years have not elapsed since the date on which execution of the sentence was completed: embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed;
- iii. a person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;
- iv. a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;
- v. a person who has a relatively large sum of debt, which was not paid at maturity;
- vi. a person who has been banned from entering the securities market by the CSRC and whose term has not expired;
- vii. other contents stipulated by laws, administrative regulations and departmental rules.

The election, appointment or employment of the Directors, Supervisors or other senior management shall be invalid if such election, appointment or employment is against the Articles of Association. If the Directors, Supervisors or senior management falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by our Company.

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**(7) Borrowing powers**

The Board of Directors shall be entitled to develop proposals for our Company to issue bonds and to [REDACTED] its Shares, and that such bond issues must be approved by the Shareholders by a special resolution at the General Meeting.

**(8) Duties**

The directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following loyal duties to the Company:

- i. shall not abuse their authority by accepting bribes or other illegal income, and shall not convert company property;
- ii. shall not misappropriate company funds;
- iii. shall not deposit Company's assets into accounts held in their own names or in the name of any other individual;
- iv. shall not, in violation of the Articles of Association, loan Company's funds to any other person or give Company's assets as security for the debt of any other person without the approval of the General Meeting or the Board of Directors;
- v. shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the General Meeting;
- vi. shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the General Meeting;
- vii. shall not accept commissions paid by others for transactions conducted with the Company as their own;
- viii. shall not disclose confidential Company's information without authorization;
- ix. shall not abuse their connected relationships to damage the Company's interests;
- x. laws, administrative regulations, departmental rules and other fiduciary obligations stipulated in the Articles of Association;

The income obtained by the director in violation of above article shall belong to the Company. If losses are caused to the Company, it shall be liable for compensation.

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Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following diligent obligations to the Company:

- i. shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- ii. shall treat all Shareholders fairly;
- iii. shall maintain a timely awareness of the operation and management of the Company;
- iv. shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- v. shall provide accurate information and materials to the Board of Supervisors and shall not obstruct the Board of Supervisors or individual Supervisors from performing its or their duties;
- vi. laws, administrative regulations, departmental rules and other obligations of diligence stipulated in the Articles of Association.

The duty of loyalty assumed by the Directors shall not be automatically relieved within a reasonable period after the resignation report has not come into effect or has come into effect, and within a reasonable period after the end of the term of office. The duty of confidentiality of the Company's business secrets shall remain valid after the resignation report comes into effect or the end of the term of office, until the secrets become public information.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

Where any Director or senior officer, in the course of his company duties, violates any law, administrative regulations or the Articles of Association and causes the Company to suffer a loss, shareholders individually or jointly holding more than 1% of the Company's Shares for more than 180 successive days may make a written request to the Board of Supervisors to bring a lawsuit in the people's court; where the Board of Supervisors, in the course of its company duties, violates any law, administrative regulations or the Articles of Association and causes the Company to suffer a loss, the shareholders may make a written request to the Board of Directors to bring a lawsuit in the people's court.

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Where the Board of Supervisors or the Board of Directors refuses to bring a lawsuit after receiving a written request from the Shareholders prescribed in the preceding paragraph or fails to bring a lawsuit within 30 days of receiving such a request, or where the situation is so urgent that failure to bring a lawsuit will lead to irreparable damage to the interests of the Company, the Shareholders prescribed in the preceding paragraph may bring a lawsuit directly in their own names for the benefit of the Company.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the competent court pursuant to the provisions of the preceding two paragraphs.

In the event of a Director or senior management person violates laws, administrative regulations or our Company's Articles of Association, thereby damaging the interests of the Shareholder(s), the Shareholder(s) may file an action with the competent court.

### **2 MODIFICATION OF THE ARTICLES OF ASSOCIATION**

Our Company may amend the Articles of Association based on the provisions of the laws, administrative regulations and Articles of Association.

Where the amendments to the Articles of Association passed by the General Meetings need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

### **3 SPECIAL RESOLUTIONS NEEDED TO BE ADOPTED BY ABSOLUTE MAJORITY VOTE**

The resolutions of the General Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the Shareholders (including proxies of Shareholders) attending the General Meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies of Shareholders) attending the General Meeting.

### **4 VOTING RIGHTS**

Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

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The General Meeting of Shareholders shall vote by open ballot. The same voting right can only choose one of on-site, online or other voting methods (if any). In case of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders attending the General Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing organization shall be the nominee holder of shares on the Interconnection Mechanism for Mainland and Hong Kong Stock Markets (if any), except where declaration is made in accordance with the actual holder’s intent. Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an “abstention”.

### **5 RULES ON GENERAL MEETINGS**

The General Meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

### **6 ACCOUNTING AND AUDITS**

#### **(1) Financial and accounting policies**

Our Company shall develop its financial accounting policies pursuant to laws, administrative regulations and rules developed by the competent department.

The Company shall issue a consolidated annual financial audit report for the previous year in accordance with the Chinese accounting system respectively, and the financial audit report shall be submitted to the board of directors and the General Meeting for approval after being audited by the accounting firm engaged by the Company.

The Company shall not establish other accounting books except for the statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

#### **(2) Appointment and Dismissal of Accountants**

The Company employs an accounting firm that complies with relevant national regulations to conduct accounting statement audit, net asset verification and other related consulting services. The employment period is one year, and can be renewed.

The employment of accounting firms by the Company must be decided by the General Meeting, and the Board of Directors shall not appoint accounting firms before the decision of the General Meeting.

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The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

The Company shall notify the accounting firm 20 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the General Meeting votes on dismissing the accounting firm. If the accounting firm proposes to resign, it shall explain to the General Meeting whether the Company has any improper situation.

### 7 NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETINGS

The General Meeting is the authorized organ of our Company

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months:

- i. where the number of directors falls below the number prescribed in the Company Law or below two thirds of the number prescribed in the Articles of Association;
- ii. where the Company's unfunded losses reach one third of total Share capital paid in;
- iii. where Shareholders who individually or jointly hold no less than 10% of the Company's stock request holding of such a meeting;
- iv. where the Board of Directors deems it necessary;
- v. where the Board of Supervisors proposes such a meeting;
- vi. in any other circumstances prescribed by laws, administrative regulations, departmental rules, or the Articles of Association.

The General Meeting shall be convened by the Board of Directors.

The Board of Supervisors may request in writing to convene an extraordinary general meeting. If the Board of Directors agree to convene an extraordinary general meeting, the notice of convening extraordinary general meeting shall be issued within 5 days after the Board of Directors makes a resolution. If the Board of Directors made a rejection or does not respond within 10 days after it receiving the proposal, it shall be viewed as the Board of Directors is unable to or fails to perform its meeting duty of convening the General Meeting and the Board of Supervisors may convene and preside over the meeting by its own.



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Shareholders who separately or jointly hold 10% or more of the shares may request in writing to convene an extraordinary general meeting. If the Board of Directors does not issue a notice of convening the meeting within 10 days after receiving the above written requirement, or refused to convene, the shareholders who make the request may request the Board of Supervisors in writing to convene the meeting. If the Board of Supervisors does not issue the notice about convening the meeting within 5 days after receiving the above written requirement, the Shareholders who make the request could convene and preside the meeting by themselves.

If the General Meeting is convened, the Board of Directors, the Board of Supervisors and Shareholders who separately or jointly hold more than 3% of the shares of our Company may submit a proposal 10 days before the meeting.

The convener shall notify shareholders by announcement 21 or 20 net working days (whichever is longer) before the annual general meeting, and the extraordinary general meeting shall notify shareholders by announcement 15 or 10 net working days (whichever is longer) before the meeting. In calculating the advance notice period, the Company shall not include the day of the meeting, but may include the day on which the notice of the meeting is given.

The notice of a General Meeting includes the following:

- i. the time, place and duration of the meeting;
- ii. matters and proposals submitted to the meeting to review;
- iii. explain in obvious words that all shareholders have the right to attend the general meeting of shareholders and may appoint a proxy in writing to attend the meeting and participate in the vote, and the shareholder proxy need not be a shareholder of the company;
- iv. share registration date of the shareholders entitled to attend the general meeting;
- v. name and telephone number of the permanent contact person for conference affairs;
- vi. online or other voting time and voting procedures.

The notice of the General Meeting and the supplementary notice shall fully and completely disclose all the specific contents of all proposals, as well as all the materials or explanations required to enable the Shareholders to make a reasonable judgment on the matters to be discussed. If the matter to be discussed needs the opinion of independent Directors, the opinions and reasons of independent Directors will be disclosed at the same time when the notice General Meeting or supplementary notice is issued.

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The resolution of the General Meeting includes ordinary resolution and special resolution. The following matters shall be approved by the General Meeting through ordinary resolutions:

- i. work report of the Board of Directors and the Board of Supervisors;
- ii. plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;
- iii. appointment or dismissal of the members of the Board of Directors and the Board of Supervisors, and their payment and payment methods;
- iv. annual budget and final account report;
- v. annual report of the Company;
- vi. other matters other than those approved by special resolution stipulated in the laws, administrative regulations or the Articles of Association.

The following matters shall be approved by special resolution at the General Meeting:

- i. the increase or reduction of the registered capital;
- ii. the mergers, spin-offs, dissolutions and liquidations (including voluntary winding-ups) of the Company;
- iii. the amendment to the Articles of Association;
- iv. to review and approve the purchases or sell of material assets by the Company within 12 consecutive months or the guarantee amount exceeds 30% of the latest audited total assets of the Company;
- v. to review the Company's employee shareholding schemes or share incentives;
- vi. other matters stipulated by laws, administrative regulations, the Articles of Association and the Rules of Procedure of the General Meeting of Shareholders, as well as other matters that the general meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

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If any resolution of the General Meeting or resolution of the Board of Directors violates laws or administrative regulations, any Shareholder is entitled to request the court to deem it as invalid.

If the convening procedure or voting formula of the General Meeting or meeting of the Board of Directors violates any of laws, administrative regulations or the Articles of Association, or resolution of which violates the Articles of Association, any Shareholder is entitled to ask the court to overturn within 60 days after the resolution was adopted.

### 8 SHARE TRANSFERS

The Shares of our Company holding by the funders thereof shall not be transferred within one year of the date of establishment of our Company.

The Directors, Supervisors, and senior management of our Company shall declare, to our Company, information on their holdings of the Shares of our Company and the changes thereto. The Shares transferrable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the Shares of our Company. The Shares that they hold in our Company shall not be transferred within one year of the date on which the stocks of our Company are [REDACTED] and traded. The aforesaid persons shall not transfer their Shares of our Company within half a year from the date of their resignation.

Where any Director, Supervisor or senior manager of the Company who holds more than 5% of the Company Shares sells company's stock he holds within 6 months of the relevant purchase, or purchases any stock he has sold within 6 months of the relevant sale, the proceeds generated therefrom shall be incorporated into the profits of the Company, and the Board of Directors of the Company shall recover the proceeds. However, the following circumstances shall be excluded where a securities company holds more than 5% of the shares due to its purchase of any remaining Shares under best efforts [REDACTED] or where the provisions of the securities regulatory authority under the State Council are apply.

Shares or other securities with the nature of equity held by Directors, Supervisors, senior executives and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts. If the Board of Directors of the Company fails to comply with the above paragraph of this Article, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in this Article, the responsible Directors shall bear joint and several liability in accordance with law.

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**9 RIGHTS OF OUR COMPANY TO PURCHASE OUR OUTSTANDING ISSUED SHARES**

The Company shall not repurchase of its Shares. However, exceptions are made in any of the following cases:

- i. to reduce the registered capital of the Company;
- ii. to merge with other companies that hold shares in the Company;
- iii. to use the shares for employee shareholding schemes or as share incentives;
- iv. to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;
- v. to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- vi. to safeguard corporate value and shareholders' equity as the Company deems necessary.

The Company may purchase its own Shares through public centralized trading, or through other means recognized by the laws, administrative regulations, or the CSRC. Where the Company purchases its own Shares under any of the circumstances specified in Items 3, 5, or 6 of Article 25 of the Articles of Association, centralized trading shall be adopted publicly.

**10 POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT**

There are no provisions in the Articles of Association relating to ownership by subsidiary of our Company of Shares in its parent.

**11 DIVIDEND AND OTHER DISTRIBUTION METHODS**

The Company shall distribute profit in cash or shares, as follows:

- i. the principle of profit distribution of the Company: the Company implements the dividend distribution policy of equal shares and interests, and shareholders receive dividends and other forms of benefit distribution according to the shares. The Company implements an active profit distribution policy, attaches importance to reasonable investment returns to investors, and maintains continuity and stability. The Company may distribute profits by means of cash or shares, and the distribution of profits shall not exceed the scope of cumulative distributable profits, and shall not harm the Company's ability to continue operations. The opinions of independent

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non-executive directors, external supervisors (if any) and [REDACTED] shall be fully considered in the decision-making and deliberation of the profit distribution policy by the Board of Directors, Board of Supervisors and general meetings.

- ii. the overall form of the Company's profit distribution: dividends are distributed in cash, shares or a combination of the two, and when the Company has the conditions for cash dividends, the Company should give priority to cash dividends for profit distribution.
- iii. the specific conditions and proportion of the Company's cash dividends: the Company mainly adopts the profit distribution policy of cash dividends, that is, if the Company achieves profits in the current year, and has distributable profits after making up for losses according to law, withdrawing statutory reserve funds and surplus reserve funds, the company shall pay cash dividends; the company's profit distribution shall not exceed the range of cumulative distributable profits.

After the General Meeting of our Company make a resolution on dividends distribution plan, the Board of Directors shall complete the distribution within 2 months after the convening of the General Meeting.

### 12 SHAREHOLDER PROXIES

Shareholders can attend the General Meeting in person or entrust a proxy to attend and vote on their behalf.

Any proxy statement issued by a Shareholder who authorizes a proxy to attend the General Meeting on his behalf shall include the following details:

- i. the name of the proxy;
- ii. whether the proxy is authorized to vote;
- iii. respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the General Meeting agenda;
- iv. the issuance date and valid period of the proxy statement;
- v. the signature (or seal) of the Shareholder. Where the Shareholder is a legal person, the legal person's seal shall be affixed.

The power of attorney shall indicate whether the shareholder's proxy can vote according to his own will if the Shareholder does not give specific instructions. A Shareholder's proxy needs not be a Shareholder of the Company.

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Where a Shareholder authorizes another person to sign a proxy statement for voting, the power of attorney for signing authority or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall be lodged at the Company's domicile or any other place stipulated in the meeting notice. Where the Shareholder is a legal person, its legal representative or any person authorized by a resolution of the Board of Directors or other decision-making body shall attend the General Meeting as its proxy.

If a member is a recognized clearing house (or its agent) as such term is defined in the relevant regulations from time to time in Hong Kong, it may authorize one or more persons as it thinks fit to act as its representative at any general meeting; Provided, however, that if more than one person is so authorized the powers of attorney shall set forth the number and class number of shares in respect of which each such person has so authorized and shall be signed by the person or persons who have been duly authorized by the clearing house. A person so authorized may attend (without production of share certificate by notarial authority and/or further evidence of due authority) and exercise all rights (including the right to speak and vote) on behalf of a recognized clearing house (or its alternate) as if that person were an individual Shareholder of the Company.

### **13 REVIEW THE REGISTER OF SHAREHOLDERS AND OTHER RIGHTS OF SHAREHOLDERS**

The Company establishes the register of Shareholders according to the certificate provided by the securities registration authority. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. Shareholders enjoy rights and assume obligations according to the types of shares they hold. Shareholders holding the same kind of Shares shall enjoy the same rights and undertake the same obligations.

The Hong Kong branch of the register of Shareholders must be available for inspection by Shareholders, but the Company may be allowed to suspend the registration of Shareholders in accordance with the equivalent provisions of Section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

When our Company convenes the General Meeting, pays dividends, goes into liquidation or is involved in other actions that require the confirmation of identities, the Board of Directors or the convener of the General Meeting shall determine the Shareholders who enjoy the relevant rights and interests according to the register of Shareholders.

### **14 RESTRICTIONS ON RIGHTS OF CONTROLLING SHAREHOLDERS**

The controlling Shareholders and actual controllers of the Company shall not use their connected relationship to damage the legitimate interests of the Company and other shareholders; Controlling shareholders and actual controllers who violate relevant laws, regulations and Articles of Association and cause losses to the Company and other Shareholders shall be liable for compensation.

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Controlling Shareholders and ultimate controllers of the Company shall have a duty of good faith to the Company and other Shareholders. Controlling Shareholders shall exercise their investors' rights in strict accordance with the law and shall not damage the lawful interests of the Company or of public Shareholders in any way such as via the distribution of profits, an asset reorganization, external investments, the use of Company's funds or the provision of a loan guarantee, nor shall they abuse their controlling positions to damage the interests of the Company or of public Shareholders.

### 15 PROCEDURES FOR LIQUIDATION

The Company shall be dissolved in accordance with the law under any of the following circumstances:

- i. the term of business operation expires;
- ii. the general meeting resolves to dissolve the Company;
- iii. dissolution is necessary as a result of the merger or division of the Company;
- iv. the Company's business license is revoked or it is ordered to close down or it is deregistered according to laws;
- v. serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights of the Company may petition a People's Court to dissolve the Company.

Where the Company is to be dissolved pursuant to Items i, ii, v or vi of above paragraph of this Article, a liquidation committee shall be established within 15 days from the date when the event of dissolution occurs. The liquidation committee shall be composed of Directors or members determined by the General Meeting. Where the Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time, its creditors may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in at least one newspaper within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days of publication of the first notice if any such creditor does not receive the notice.

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In filing their claims, creditors shall provide all relevant details relating thereto and provide supporting materials. The liquidation committee shall make records of such claims. The liquidation committee shall not pay out on any creditors' claims while such claims are still being filed.

After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall prepare a liquidation plan, which shall be submitted to the General Meeting or the people's court for ratification. After paying all liquidation expenses, staff wages and labor insurance expenses, outstanding taxes, and Company's debts, the remaining assets shall be distributed to the Shareholders in proportion to their respective shareholdings.

During the liquidation, our Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of our Company shall not be distributed to any Shareholder before full payments have been made out of the property according to the aforesaid provision.

Where the liquidation committee, after identifying the Company's assets and preparing the balance sheet and schedule of assets, discovers that the Company does not have sufficient assets to repay the Company's debts in full, the liquidation committee shall file a bankruptcy petition with the people's court in accordance with the law.

After our Company is declared bankrupt by ruling of the people's court, the liquidation committee shall turn over matters regarding the liquidation to the people's court.

Upon closure of liquidation of our Company, the liquidation committee shall prepare a liquidation report, which shall be submitted to our General Meeting or the people's court for confirmation. The liquidation committee shall, from the date of the confirmation of the liquidation report by the General Meeting or the people's court, submit it to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the Company.

### **16 OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR THE SHAREHOLDERS**

#### **(1) General Provisions**

Our Company is a permanently existing joint stock limited company.

All the assets of the company are divided into shares of equal value. The Shareholders are responsible for the Company to the extent of their subscribed Shares, and the Company is responsible for the Company's debts with all its assets.



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The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organization and activities of the Company and the relationship of rights and obligations as between the Company and the Shareholders and among the Shareholders, and shall be legally binding on the Company, the Shareholders, the Directors, the Supervisors and senior officers. Based on the Articles of Association, any Shareholder may bring a lawsuit against another Shareholder, a Director, a Supervisor, a manager or any other senior officer. Any Shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any Shareholder, Director, Supervisor, manager or any other senior officer.

### (2) Share and Transfer

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the general meeting, by any of the following methods:

- i. a public offering of shares;
- ii. a private placement of shares;
- iii. allotment of bonus shares to existing shareholders;
- iv. conversion of reserve funds to share capital;
- v. other methods permitted by laws, administrative regulations and the CSRC.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law, Hong Kong Listing Rules and other relevant regulations, as well as the Articles of Association.

### (3) Shareholders

Shareholders are entitled to rights and assumes obligations pursuant to the classification and ratio of their shares. Shareholders holding the same classified share have the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

- i. the right to dividends and other distributions in proportion to the number of shares held;
- ii. the right to apply for, convene, preside, attend or appoint proxies to attend general meetings and to exercise the corresponding right to speak and vote;

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- iii. the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;
- iv. the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- v. the right to inspect the Articles of Association, Register of Shareholders, corporate bond stubs, minutes of general meetings, resolutions of the Board of Directors and resolutions of the Board of Supervisors and accounting reports;
- vi. in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- vii. shareholders who object to resolutions of merger or division made by the shareholders' general meeting may request the Company to purchase shares held;
- viii. the right to inspect the Hong Kong Register of Shareholders of the Company, but the Company may suspend the registration of shareholders in accordance with the equivalent provisions of Section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
- ix. Other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to the Company written documents proving the class(es) and number of shares he holds. the Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

Shareholders of the Company shall have the following obligations:

- i. to abide by laws, administrative regulations and the Articles of Association;
- ii. to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- iii. not to return shares unless prescribed otherwise in laws and administrative regulations;
- iv. not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors; Any shareholder who abuses shareholders' rights and causes the Company

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or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law; Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts;

- v. to assume other obligations required by laws, administrative regulations and the Articles of Association.

### **(4) The Board of Directors**

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

- i. to convene general meetings and report to the general meetings;
- ii. to implement resolutions of the general meetings;
- iii. to decide on the Company's business plans and investment plans;
- iv. to formulate the annual financial budgets and final accounts of the Company;
- v. to formulate the Company's profit distribution plans and plans on making up losses;
- vi. to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and [REDACTED] of shares of the Company;
- vii. to formulate plans for the Company's major acquisition, repurchase the Shares of the Company, or merger, division, dissolution or change of corporate form of the Company;
- viii. to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations of the Company within the scope of authorization by the general meeting;
- ix. to decide on establishment of internal management organs of the Company;
- x. to decide on the appointment or dismissal of the Company's general manager, secretary of the board and other members of the senior management and decide on matters of their remuneration and rewards and punishments. According to the nomination of the general manager, decide to appoint or dismiss the Company's deputy general manager, financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;

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- xi. to formulate the basic management system of the Company;
- xii. to formulate proposals to amend the Articles of Association;
- xiii. to manage the Company's disclosures;
- xiv. to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- xv. to listen to the work report of the general manager of the Company and to inspect the work of the general manager of the Company;
- xvi. according to the authorization of the general meetings, to decided to repurchase of the shares of the Company in accordance with the Articles of Association;
- xvii. other functions and powers provided for in laws, administrative regulations, department regulations and the Articles of Association.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

Except as otherwise provided in the Articles of Association, meetings of the Board of Directors shall be held only if more than one half of the directors are present.

**(5) Independent Non-executive Director**

At any time, the Board of Directors should have more than 1/3 of independent Directors, and the total number of independent Directors should not be less than three.

**(6) Secretary of the Board of Directors**

The Company shall appoint a secretary of the Board of Directors, who shall be responsible for preparing for General Meetings and meetings of the Board of Directors, the retention of documents, the management of Shareholder materials, etc.

**(7) Board of Supervisors**

Our Company shall set up a Board of Supervisors.

The Board of Supervisors consists of three Supervisors, including one employee representative Supervisor and one chairman. The chairman of the Board of Supervisors shall be elected by two third of all Supervisors.

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The Board of Supervisors shall be composed of Shareholder representatives and an appropriate proportion of company employee representatives. The number of employee representatives shall be no less than one third of all Supervisors. Employee representatives on the Board of Supervisors shall be democratically elected by employees through the employee representative congress, the employee congress, or any other means.

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

- i. to review and give written opinions on the periodic reports of the Company prepared by the Board of Directors;
- ii. to examine the Company's financial matters;
- iii. to supervise the performance by the directors and senior management of their duties to the Company and propose the dismissal of the directors and senior management who violates laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;
- iv. to demand rectification from the directors and senior management when the acts of such persons are harmful to the Company's interests;
- v. to propose the convening of extraordinary general meetings; to convene and preside the general meetings in the event that the Board of Directors fails to perform its duties to convene and preside the general meetings in accordance with the Company Law;
- vi. to submit proposals to the general meetings;
- vii. to file lawsuits against directors and senior management on behalf of the Company in accordance with the Company Law;
- viii. in case of any queries or any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;
- ix. other functions and powers as specified in Hong Kong Listing Rules and other relevant regulations, as well as the Articles of Association.

The Supervisors may attend the meetings of the Board of Directors, query or provide suggestions on the resolution matters of the Board meeting.

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**(8) General Manager**

Our Company has one general manager, appointed or dismissed by the Board of Directors.

The general 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 works to the Board of Directors;
- ii. to organize the implementation of the Company's annual business plans and investment plans;
- iii. to draft plans for the establishment of the Company's internal management organization;
- iv. to draft the Company's basic management system;
- v. to formulate the specific rules and regulations of the Company;
- vi. to propose to the Board of Directors appointment or dismissal of deputy general manager and chief financial officer of the Company;
- vii. to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- viii. such other functions and powers conferred by the Articles of Association or the Board of Directors.

**(9) Reserves**

In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund.

Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by the Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the General Meeting, an allocation may be made to the discretionary reserve fund.

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After the Company has covered its losses and made allocations to the reserve funds, any remaining profit shall be distributed to the shareholders in proportion to their respective shareholdings unless otherwise stipulated in the Articles of Association.

Where the General Meeting or the Board of Directors, in violation of the preceding paragraph, distributes profits to the Shareholders before covering Company's losses and making an allocation to the Company statutory reserve fund, the profits so distributed must be returned to the Company.

Profits shall not be distributed to Shares held by the Company itself.

Company reserve funds shall be used to cover Company's losses, expand production and operations, or converted to increase the Company's capital. However, the capital reserve fund must not be used to cover Company's losses.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital.