

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix contains the summary of the principal provisions of the Articles of Association adopted by our Company on April 3, 2023. The Articles of Association of the Company shall take effect on the date of the H Shares being [REDACTED] on the Stock Exchange. The main purpose of this Appendix is to provide an overview of the Company’s Articles of Association for potential investors, so it may not contain all the information that is important.

### 1. SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

The shares of the Company shall take the form of share certificates. All the shares issued by the Company shall have a par value, which shall be RMB1 for each share.

The shares of the Company shall be issued in accordance with the principles of open, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the Shares it/he/she subscribes for.

Unless otherwise specified in the laws, administrative regulations and by the securities regulatory authorities in the place where the shares of the Company are listed, the paid up shares of the Company can be freely transferred in accordance with the laws and are not subject to any lien. The transfer of shares shall be registered with the local stock registration institution entrusted by the Company.

### 2. INCREASE AND REDUCTION OF SHARES AND REPURCHASE

#### (1) Capital Increase

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 relevant requirements of the Article of Association and a resolution of the general meeting, by any of the following methods:

- (i) a non-public issuance of shares;
- (ii) a public offering of shares;
- (iii) allotment of bonus shares to existing shareholders;
- (iv) conversion of reserve to share capital; or
- (v) other methods permitted by laws and administrative regulations and approved by relevant regulatory authorities.

---

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

---

### (2) Reduction of Capital

The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so by the procedures set forth in the Company Law, other relevant regulations and the Articles of Association.

If the Company is to reduce its registered capital, it must prepare a balance sheet and a list of its property.

The Company shall notify its creditors to reduce its registered capital and publish a public announcement in accordance with the Company Law, and pay its debts or provide a corresponding security for repayment as required by the creditors.

### (3) Repurchase of Shares

The Company shall not acquire its shares. However, the Company may, in the following circumstances, buy back its own outstanding shares by the procedures provided for in laws and the Articles of Association, and reporting them to the relevant competent authorities for approval:

- (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; or
- (vii) other methods permitted by laws and administrative regulations and approved by the listing rules of the stock exchange on which the shares of the listed company are listed.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

### 3. REGISTER OF MEMBERS

The Company establishes a register of members based on the certificates provided by the securities registration authority, and the register of members shall be the sufficient evidence of the shareholders' shareholding in the Company. A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall have the same rights and assume the same obligations.

The Company may, in accordance with the mutual understanding and agreements made between the CSRC and overseas securities regulatory authorities, keep its register of holders of overseas-listed foreign shares outside of the PRC and appoint overseas agent(s) to manage such register. The original copy of the register of holders of overseas-listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall ensure the register of holders of overseas-listed foreign shares be made available to shareholders free of charge within business hours at office of the authorized overseas agency. Upon publish of notice through advertisement in designated newspapers or any other newspapers designated by any designated stock exchange, or through any electronic media by any means acceptable to the designated stock exchange, the register of holders of overseas-listed foreign shares may be closed at such times or for such periods not exceeding in the whole 30 days in each year as the board of directors may determine, either generally or in respect of any class of shares.

The Company shall maintain a complete register of members. The register of members shall include the following parts:

- (i) the register of members which is maintained at the Company's place of domicile (other than those share registers which are described in paragraphs (ii) and (iii) of this Article);
- (ii) the register of members in respect of the holders of overseas-listed foreign shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (iii) the register of members which is maintained in such other place as the Board of Directors may consider necessary for the purpose of listing of the Company's shares.

All H Shares shall be transferred by an instrument in writing in any usual or common form or any other form which the board of directors accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time), and the instrument of transfer may only be executed by hand or (if the transferor or the transferee is a company) affixed with the Company's effective seal. If the transferor or the transferee is a recognized clearing house as defined by the relevant regulations of the laws of Hong Kong in effect from time to time or the agent thereof, the instrument of transfer may be executed by hand or by machine imprinted signatures. All transfer instruments shall be kept at the legal address of the Company or any address specified by the board of directors from time to time.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

Within 20 days before general meetings or within 5 days before the Company decides to distribute dividends, no changes to the register of members due to share transfers shall be registered. Requirements on the closure of register of members before general meetings or record dates for determining the entitlement to dividends prescribed by laws, regulations or relevant stock exchanges or securities regulatory authorities of the regions where shares of the Company are listed shall be observed.

When the Company intends to convene a general meeting, distribute dividends, enter into liquidation and engage in other activities that require determination of shareholdings, the Board of Directors or the convenor of a general meeting shall determine a specific date as equity determination date, registered shareholders at the end of which shall be the shareholders entitled to the relevant rights and interests.

Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of members may apply to the Company for issue of a replacement share certificate in respect of such shares (the “Relevant Shares”) if his/her share certificate (the “Original Certificate”) is lost. If a shareholder who has lost his/her share certificate of domestic shares applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law. If a shareholder who has lost his/her share certificate of overseas-listed foreign shares applies for a replacement share certificate, it shall be dealt with in accordance with the laws, rules of the stock exchange(s) or other relevant provisions of the place where the original register of holders of overseas-listed shares is kept.

### 4. RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS

Shareholders of ordinary shares of the Company shall enjoy the following rights:

- (i) the right to receive dividends and other forms of benefit distributions in proportion to their shareholdings;
- (ii) the right to request, call, preside over, attend or appoint proxies to attend general meetings and to exercise the corresponding voting right in accordance with the laws;
- (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, the listing rules of the Stock Exchange, and the Articles of Association;
- (v) the right to inspect the Articles of Association and registers of members;
- (vi) the right to inspect the record of company bonds, the minutes of shareholders’ general meetings, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Board of Supervisors and the financial and accounting reports;

---

**APPENDIX V**

**SUMMARY OF ARTICLES OF ASSOCIATION**

---

- (vii) to participate in, upon the company's termination or liquidation, the distribution of the company's remaining assets according to the quantity of shares held; and
- (viii) other rights granted in laws, administrative regulations, departmental rules, listing rules of the Stock Exchange, and the company's Articles of Association.

Shareholders of ordinary shares of the Company shall have the following obligations:

- (i) to abide by laws, administrative regulations, listing rules of the Stock Exchange, 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 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, listing rules of the Stock Exchange, and the Articles of Association.

Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

In respect of the joint shareholder of any shares, only the joint shareholder whose name stands first in the register of members has the rights to receive certificates of the relevant shares from the Company or receive notices of the Company. Any notice which is delivered to the aforementioned shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares. Any of the joint shareholders may sign a proxy form, provided that if more than one joint shareholders attend a meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the relevant share.

---

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

---

### 5. GENERAL MEETING

#### (1) General Rules for Convening a General Meeting

The general meeting is the organ of the highest authority of the Company and shall exercise the following functions and powers:

- (i) to decide on the operating policies and investment plans of the Company;
- (ii) to elect and replace directors or supervisors respectively other than a director or supervisor who is an employee representative; and to decide on matters relating to their remuneration;
- (iii) to review and approve reports of the Board of Directors;
- (iv) to review and approve reports of the Board of Supervisors;
- (v) to review and approve the annual financial budgets and final accounts of the Company;
- (vi) to review and approve the profit distribution plans and loss recovery plans of the Company;
- (vii) to adopt resolutions on increasing or reducing the registered capital of the Company;
- (viii) to adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (ix) to adopt resolutions on the issuance of corporate bonds, other securities and their listing;
- (x) to adopt resolutions on the engagement, renewal or non-renewal, or dismissal of the engagement of accounting firms by the Company;
- (xi) to amend the Articles of Association;
- (xii) to review and approve the guarantees as stipulated in Article 51 of the Articles of Association;
- (xiii) to review and approve the purchase or the sale of assets by the Company within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

- (xiv) to consider and approve the changes in the use of proceeds;
- (xv) to consider and approve the equity incentive schemes and employee stock ownership schemes;
- (xvi) to view other matters that required to be resolved by the general meeting as prescribed by the law, administrative regulations, departmental rules, the listing rules of the Stock Exchange, and the Articles of Association.

The following external guarantees of the Company are subject to review and approval of the general meeting:

- (i) any external guarantee by the Company or its subsidiary and any subsequent guarantee, whose total amount exceeds 50% of the Company's audited net assets;
- (ii) any external guarantee by the Company and any subsequent guarantee, whose total amount exceeds 30% of the Company's latest audited total assets;
- (iii) any guarantee by the Company whose amount within one year exceeds 30% of the Company's latest audited total assets;
- (iv) guarantee to be provided to entities with more than 70% debt equity ratio;
- (v) a single guarantee whose amount exceeds 10% of the latest audited net assets;
- (vi) guarantee to be provided to shareholders, actual controller and its related parties.

The Company shall not conclude any contract with any person other than a director, a supervisor, senior management whereby such person is put in charge of the management of all or a substantial part of the Company's business without the approval of the general meeting.

General meetings include annual general meetings and extraordinary general meetings. In general, general meetings shall be convened by the Board of Directors. Annual general meetings shall be convened once a year and within six months after the end of the preceding fiscal year.

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

- (i) the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) the losses of the Company that have not been made up reach one-third of its total paid in share capital;

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

- (iii) such is requested in writing by a shareholder alone or shareholders jointly holding no less than 10% of the Company's outstanding voting shares;
- (iv) the Board of Directors considers it necessary;
- (v) the Board of Supervisors proposes that such a meeting shall be held;
- (vi) two or more independent non-executive directors proposes that such a meeting shall be held;
- (vii) other circumstances as specified by laws, administrative regulations, the rules and regulations of the departments under the State Council, and the listing rules of the Stock Exchange and the Articles of Association.

A shareholder alone or shareholders jointly holding no less than 10% of the Company's shares shall have the right to make a request to the Board of Directors in writing to convene an extraordinary general meeting. Pursuant to the laws, administrative regulations and the Articles of Association, the Board of Directors shall provide written feedback on whether to agree or not to convene an extraordinary general meeting within 10 days after receiving the request. If the Board of Directors agrees to hold an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the Board of Directors is made, and 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 general meeting, or fails to give a response within 10 days after the receipt of the request, the shareholder alone or shareholders jointly holding no less than 10% of the Company's shares shall have the right to propose to the Board of Supervisors in writing to convene an extraordinary general meeting. If the Board of Supervisors fails to issue a notice calling the general meeting by the prescribed deadline, a shareholder who alone or shareholders who jointly holding no less than 10% of the shares of the Company for at least 90 days in succession may himself/herself/themselves convene and preside over such meeting.

If the Board of Supervisors or the shareholders convene a meeting on its/their own initiative as provided in this section, the Board of Directors and the secretary to the Board of Directors shall offer cooperation for the meeting, and the Board of Directors shall provide a register of members as of the record date. Before the announcement of the resolutions of the general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%. The Company shall bear the reasonable expenses incurred in the general meeting convened by the Board of Supervisors or the shareholders themselves.

### **(2) Proposals of General Meetings**

When the company holds a general meeting, the Board of Directors, the board of supervisors and shareholders individually or jointly holding no less than 3% of the voting shares of the Company shall have the right to put proposals to the Company.



## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

A shareholder alone or shareholders jointly holding no less than 3% of the voting shares of the Company may submit extempore proposals in writing to the convenor 10 days prior to the date of general meeting. The convenor shall issue a supplemental notice of general meeting and make a public announcement of the contents of such extempore proposals within 2 days after receipt of the proposals, and submit such extempore proposals to the general meeting for consideration. The contents of such an extempore proposals shall fall within the authority of general meetings, with definite topics to discuss and specific matters to resolve.

Except as provided in the preceding paragraph, the convenor, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

### **(3) Notices of General Meetings**

Where a general meeting is convened by the Company, it shall issue a notice 20 days prior to the convening of the annual general meeting or 15 days prior to the convening of the extraordinary general meeting to notify shareholders. When calculating the starting date, the date of the meeting shall be excluded. The written notice shall include the date, time and venue of the meeting as well as the matters and proposals to be considered at the meeting, and a clear explanation indicating that all ordinary shareholders are entitled to attend the general meeting and appoint proxies in writing to attend the meeting on their behalf, the record date of shareholders entitled to attend the general meeting, the name and telephone number of the permanent contact person for the meeting affairs, and voting time and voting procedures (if any) on the Internet or in other ways.

Notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his/her/its registered address as shown in the register of members, or by publication on the Company's website or other website designated by stock exchange where the Company's shares are listed. Once the notice is published, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant general meeting. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

### **(4) Convening of General Meetings**

All the shareholders registered on the date of equity registration or their agents shall be entitled to attend the general meeting and exercise his/her voting right in accordance with the law, regulations, and the company's Articles of Association. Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (whether or not such persons are shareholders) as his/her proxies to attend and vote on his/her behalf.

Shareholders shall appoint their proxies in writing, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorised agent(s).

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

The chairman of the Board of Directors shall serve as the chairman of the meeting. If the chairman of the Board of Directors fails or is unable to perform his or her duties, the meeting shall be convened and presided by the vice chairman (or if the Company has two or more vice-chairmen, the one jointly elected by more than half of directors shall preside) of the board of directors, if the Company does not have a vice chairman or the vice chairman of the Board of Directors fails or is unable to perform his or her duties, the meeting shall be presided over by a director jointly elected by more than half of directors.

### **(5) Voting and Resolutions of General Meeting**

Resolutions of the general meeting include ordinary resolutions and special resolutions. Ordinary resolution at a general meeting shall be adopted by more than half of the voting rights of the shareholders (including proxies) present at the meeting. Special resolution at a general meeting shall be adopted by no less than two-thirds of the voting rights of the shareholders (including proxies) present at the meeting.

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. On a poll taken at a meeting, a shareholder (including his/her proxies) entitled to two or more votes need not cast all votes in the same way. Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Decisions of the general meeting on any of the following matters shall be adopted by special resolution:

- (i) the increase or reduction of the registered capital by the Company;
- (ii) the division, spin-off, merger, dissolution, and liquidation or change in the corporate form of the Company;
- (iii) the amendment to the Articles of Association;
- (iv) the purchases or sales of any material assets and guarantee amount of the Company within a year in excess of 30% of the Company's latest total audited assets;
- (v) the equity incentive schemes;
- (vi) the compulsory winding up or voluntary winding up of the Company;
- (vii) other matters which the laws, administrative regulations, the listing rules of the Stock Exchange or the Articles of Association require to be adopted by special resolutions and which the general meeting considers will have a material impact on the Company and therefore require, by an ordinary resolution, to be adopted by special resolution.

**6. DIRECTORS AND BOARD OF DIRECTORS**

**(1) Directors**

Directors shall be elected or replaced at the general meeting. Every term of a director is three (3) years, and upon expiry of the term, a director shall be eligible for re-election and re-appointment.

The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current Board of Directors. When the Directors' term expires and re-election not be held in time, or where the resignation of a director during his term of office causes the number of board members to be less than the quorum, the original Directors shall still perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, the listing rules of the Stock Exchange, or the Articles of Association before the re-elected Directors take office.

A Director is not required to hold any share in our Company.

**(2) Board of Directors**

The Company shall set up a board of directors which shall be accountable to the general meetings. The Board of Directors shall consist of nine (9) to eleven (11) directors. At least one-third of member of the Board of Directors of the Company shall be the independent non-executive Directors and the amount shall not be less than three (3).

The Board of Directors 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 listing of shares of the Company;
- (vii) to formulate plans for the Company's merger, division, dissolution or change of corporate form;

---

**APPENDIX V**

**SUMMARY OF ARTICLES OF ASSOCIATION**

---

- (viii) to formulate plans for the Company's substantial acquisitions and sale, and repurchase of shares of the Company;
- (ix) within the scope authorised by the general meeting, to decide on such matters as the Company's external investments, acquisition and disposal of assets, provision of security on the Company's assets, provision of guarantee, wealth management entrustment, connected transactions and external donations etc.;
- (x) to create, incur, or authorize the creation of any debt or to provide any loans or prepayments to any person or entity other than a wholly-owned subsidiary of the company, except for those already covered by purchase and sales accounts or approved annual budgets generated in the normal course of business;
- (xi) to decide on establishment of internal management organs of the Company;
- (xii) to decide the establishment of special committees of the Board of Directors; appoint or dismiss chairman (convenor) of the special committees of the Board of Directors;
- (xiii) to determine the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management; to appoint or dismiss senior management including deputy general manager(s) and the chief financial officer of the Company in accordance with the nominations by general manager, and to decide on their remunerations, rewards and punishment;
- (xiv) to formulate the basic management system of the Company;
- (xv) to formulate proposals to amend the Articles of Association;
- (xvi) to formulate proposals to adopt share incentive plan of the Company;
- (xvii) to manage information disclosure of the Company;
- (xviii) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (xix) to listen to work reports submitted by the general manager of the Company and review his/her work;
- (xx) to decide material matters and administrative matters and the entering into of other material agreements other than those matters required to be decided by the general meeting of the Company in accordance with laws, administrative regulations, department regulations, the Article of Association and the listing rules of the stock exchange on which the shares of the Company are listed;

---

**APPENDIX V****SUMMARY OF ARTICLES OF ASSOCIATION**

---

(xxi) other functions and powers provided for in laws, administrative regulations, department regulations, listing rules of the Stock Exchange and the Articles of Association, and conferred at general meetings.

Meetings of the Board of Directors may be held only if more than one half of the directors are present. Vote on Board of Directors resolution shall be carried out on the basis of one person one vote.

If any director is associated with the enterprises that are involved in the matters to be resolved at the meeting of the Board of Directors, he or she shall not exercise his or her voting rights for such matters, nor shall such director exercise voting rights on behalf of other directors. Such meeting of the Board of Directors may be held only if more than one half of the directors without a connected relationship are present, and the resolutions made at such a meeting of the Board of Directors shall be passed by more than one half of the directors without a connected relationship. If the number of non-connected directors present at such meeting is less than three, the matter shall be submitted to the general meeting for consideration.

**7. SECRETARY OF THE BOARD**

The Company shall have a secretary to the Board of Directors. The secretary to the Board of Directors is a member of the senior management of the Company.

The secretary to the Board of Directors of the Company shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the Board of Directors.

A director or any other senior officer of the company may hold the post of secretary of the Board of Directors concurrently. Any accountant from the accounting firm engaged by the Company shall not concurrently serve as the secretary to the Board of Directors of the Company.

**8. GENERAL MANAGER AND OTHER SENIOR MANAGEMENT**

The Company has one general manager, several deputy general managers, and one chief financial officer, and they shall serve terms of three years and may serve consecutive terms if reappointed by the Board of Directors.

Directors may concurrently serve as general manager or other senior management personnel.

---

**APPENDIX V****SUMMARY OF ARTICLES OF ASSOCIATION**

---

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, and to report his/her works to the Board of Directors;
- (ii) to organise the implementation of the resolutions of the Board of Directors;
- (iii) to organise the implementation of the Company's annual business plans and investment plans;
- (iv) to draft plans for the establishment of the Company's internal management organisation;
- (v) to draft plans for the establishment of the Company's branches;
- (vi) to draft the Company's basic management system;
- (vii) to formulate the Company's basic regulations;
- (viii) to propose the appointment or dismissal of the Company's deputy general manager, chief financial officer or other senior management personnel;
- (ix) to determine the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (x) such other functions and powers conferred by the Articles of Association or the Board of Directors.

**9. BOARD OF SUPERVISORS**

The Company shall establish a Board of Supervisors. The Board of Supervisors shall consist of three (3) supervisors, one of which shall be the chairman. The term of office of each supervisor shall be a period of three (3) years, renewable upon re-election. Any directors, general managers and other senior management shall not act concurrently as supervisors.

Shareholders' representative supervisors shall be elected and removed by the general meeting, the employee representative supervisor shall be elected and removed by the employees of the Company democratically and which shall not be less than one-third of the members of the Board of Supervisors.

---

**APPENDIX V**

**SUMMARY OF ARTICLES OF ASSOCIATION**

---

The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and powers in accordance with law:

- (i) to review the Company's regular reports prepared by the Board of Directors and provide written review opinions;
- (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 to ensure that there is no violation of laws, administrative regulations, listing rules of the Stock Exchange, and the Articles of Association of the Company during their performance of the duties to the Company; to propose the dismissal of the directors and senior management who violates laws, administrative regulations, listing rules of the Stock Exchange, the Articles of Association of the Company 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 as stipulated by the Company Law;
- (vi) to submit motion to the general meetings;
- (vii) to communicate or sue directors and senior management on behalf of the Company in accordance with Article 151 of the Company Law;
- (viii) to investigate any identified abnormal matters during the business operation of the Company; if necessary, to engage professionals such as accounting firms or law firms to assist it in exercising its functions and powers with expenses being borne by the Company;
- (ix) other functions and powers provided by the Articles of Association.

Supervisors may attend the meeting of the Board of Directors, and may raise questions or put forward suggestions about matters to be decided by the Board of Directors.

Resolutions of Board of Supervisors shall be passed by more than half of the Supervisors.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

### 10. FINANCIAL AND ACCOUNTING SYSTEMS

#### (1) Financial and Accounting Systems

The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations, listing rules of the Stock Exchange, and the PRC accounting standards formulated by relevant state authorities.

The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be audited by an accounting firm in accordance with the law.

The Company shall implement an internal audit system which shall be equipped with dedicated audit personnel to conduct internal audit supervision of the Company's financial revenue and expenditure and economic activities.

The Company's internal audit system and the responsibilities of audit personnel are subject to approval by the Board of Directors. The person in charge of audit is accountable and reports to the Board of Directors.

#### (2) Profit Distributions

Where the Company distributes its after-tax profits for a given year, it shall allocate 10% of the profits to its statutory reserve.

The Company shall no longer be required to make allocations to its statutory reserve once the aggregate amount of such reserve reaches at least 50% of its registered capital.

If the Company's statutory reserve is insufficient to make up losses from previous years, the Company shall use its profits from the current year to make up such losses before making the allocation to its statutory reserve in accordance with the preceding paragraph.

After making the allocation from its after-tax profits to its statutory reserve, the Company may, subject to a resolution of the general meeting, make an allocation from its after-tax profits to the discretionary reserve.

After the Company has made up its losses and made allocations to its reserves, the remaining profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, unless the Articles of Association provide that distributions are to be made otherwise than proportionally. If the general meeting or the Board of Directors breaches the provisions of the preceding paragraphs by distributing profits to shareholders before the Company has made up its losses and made allocations to the statutory reserve, the shareholders must return to the Company the profits that were distributed in breach of the said provisions.

Shares of the Company that are held by the Company itself shall not participate in the distribution of profits.



---

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

---

The reserve of the Company is used to make up the Company's losses, expand the production operation of the Company or increase the Company's capital. However, capital common reserve shall not be used to make up the Company's losses.

When statutory common reserve is converted into capital, the remaining balance of that reserve shall not fall below 25% of the registered capital of the Company before the conversion.

The Company shall appoint receiving agents for holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other amount payable by the Company in respect of overseas-listed foreign shares.

The receiving agents appointed by the Company shall meet the requirements of the laws of the place or the relevant regulations of the stock exchange where the Company's shares are listed.

### **(3) Appointment of Accounting Firm**

The Company shall appoint a qualified independent accounting firm to audit the Company's annual financial reports and to examine and verify other financial reports.

The term of office of an accounting firm employed by the Company shall be from the end of the current annual general meeting of the Company until the end of the next annual general meeting.

The Company's appointment of an accounting firm must be determined by the general meeting, and the Board of Directors shall not appoint an accounting firm prior to the decision of the general meeting.

Before the convening of the general meeting, the Board of Directors may fill any casual vacancy in the office of the accounting firm but while there is still any such vacancy, any other accounting firm appointed by the Company may continue to act.

The Company's appointment of an accounting firm must be determined by the general meeting, and the Board of Directors shall not appoint an accounting firm prior to the decision of the general meeting, except for the circumstance as prescribed above.

## APPENDIX V

## SUMMARY OF ARTICLES OF ASSOCIATION

### 11. DISSOLUTION AND LIQUIDATION OF THE COMPANY

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

- (i) the term of its operations set down in its articles of association has expired or events of dissolution specified in its articles of association have occurred;
- (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 dissolved according to the provisions of sub-paragraphs (i), (ii), (v) and (vi) of the preceding Article, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be composed of Directors or persons determined by a general meeting. If the Company fails to establish the liquidation committee and carry out the liquidation within the time limit, its creditors may petition a People's Court to designate relevant persons to form a liquidation committee and carry out the liquidation.

The liquidation committee shall notify creditors within 10 days of its establishment, and make announcements on the newspapers designated by the stock exchange where the Company's shares are listed within 60 days of its establishment. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the written notice or, if they did not receive a written notice, within 45 days from the date of the announcement. When declaring their claims, creditors shall explain the particulars relevant to their claims and submit supporting documentation. The liquidation committee shall register the claims.

After the liquidation committee has liquidated the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the general meeting or the People's Court for confirmation. The Company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums and statutory compensation of the employees, the taxes owed and all the Company's debts shall be distributed by the Company to the shareholders in proportion to the shares they hold.

---

## **APPENDIX V**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

---

During liquidation, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until repayment of its debts in accordance with the preceding paragraph.

If the liquidation committee, having liquidated the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of bankruptcy in accordance with the law. After the People's Court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the People's Court.

Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report and submit the same to the general meeting or the People's Court for confirmation and to the company registration authority to apply for company deregistration, and announce the Company's termination.

Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

### **12. AMENDMENT TO THE ARTICLES OF ASSOCIATION**

The Company shall amend the Articles of Association in accordance with the laws, administrative regulations, listing rules of the Stock Exchange, and the Articles of Association. If an amendment to the Articles of Association involves matters requires the approval from the competent regulatory authority to become effective, it shall be submitted to the competent regulatory authority for approval. If an amendment to the Articles of Association involves a registered item of the Company, registration of the change shall be carried out in accordance with the law.

### **13. BORROWING POWER**

The Articles of Association do not contain any specific provision regarding the manner in which the Directors may exercise the right to borrow money or the manner in which such a right is given provided that the Board of Directors shall be entitled to develop proposals for the Company to issue bonds and to list its shares, and that such bond issues must be approved by the shareholders by a special resolution at the general meeting.