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## APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

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This Appendix sets out summaries of the main clauses of our Articles of Association adopted on [●], 2023, which shall become effective from the date of [REDACTED] of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with an overview of the Company’s Articles of Association and therefore may not contain all the information that is material to potential investors.

### 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 meeting of Shareholders (“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 shareholders’ meeting for approval.

The Company is not allowed to provide guarantees to other entities except to subsidiaries within the scope of the Company’s consolidated financial statements and entities with which the Company (including subsidiaries within the scope of the consolidated financial statements) has an entrusted farming cooperation relationship. The transaction within the scope of daily business of the Company that meets one of the following criteria shall be submitted to the Board of Directors for deliberation:

- i. The transaction amount accounts for more than 20% of the Company’s total assets in the latest period; However, if the transaction amount accounts for more than 50% of the Company’s total assets in the latest period, or if the Company purchases or sells significant assets within one year that exceed 30% of the Company’s total assets in the latest period, it should also be submitted to the General Meeting for review; If the transaction amount has both book value and evaluation value, the higher one shall be used as the calculation data;
- ii. The relevant operating revenue of the transaction subject (such as equity) in the most recent fiscal year accounts for more than 20% of the Company’s audited operating revenue in the most recent fiscal year, and the absolute amount exceeds RMB 10 million; However, if the transaction subject matter (such as equity) accounts for more than 50% of the Company’s audited operating income in the most recent fiscal year, and the absolute amount exceeds RMB 50 million, it should also be submitted to the General Meeting for review;

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- iii. The net profit related to the subject matter of the transaction (such as equity) in the most recent fiscal year accounts for more than 20% of the audited net profit of the Company in the most recent fiscal year, and the absolute amount exceeds RMB 1 million; However, if the net profit related to the subject matter of the transaction (such as equity) in the most recent fiscal year accounts for more than 50% of the Company’s audited net profit in the most recent fiscal year, and the absolute amount exceeds RMB 5 million, it should also be submitted to the General Meeting for review;
- iv. The transaction amount (including assuming debts and expenses) accounts for more than 20% of the Company’s latest audited net assets, and the absolute amount exceeds RMB 10 million; However, if the transaction amount (including assuming debts and expenses) accounts for more than 50% of the company’s latest audited net assets, and the absolute amount exceeds RMB 50 million, it should also be submitted to the General Meeting for review;
- v. The profits generated from transactions account for more than 20% of the Company’s audited net profit for the most recent fiscal year, and the absolute amount exceeds RMB 1 million; However, if the profits generated from the transaction account for more than 50% of the company’s audited net profit in the most recent fiscal year, and the absolute amount exceeds RMB 5 million, it should also be submitted to the General Meeting for review.

**(3) External Guarantee Matters**

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 (including mortgage, pledge or 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 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;
- ii. 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;
- iii. The amount guaranteed by the Company within one year exceeds 30% of its latest audited total assets;
- iv. Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

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- v. Any single guarantee for an amount more than 10% of the Company’s net assets audited in the latest period;
- vi. Any guarantee to be provided to a Shareholder, or to an ultimate controller or related party thereof;
- vii. Other external guarantees that meet the requirements of laws, regulations, normative documents, the Listing Rules and other securities regulatory rules of the place where the Company’s shares are listed can take effect only after being reviewed and approved by the General Meeting.

**(4) 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.

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

The Board of Directors consists of nine Directors, at least three of whom are independent non-executive Directors and shall account for more than one-third of the total number of directors. The Board of Directors has one chairman. Directors are elected at the General Meeting. The Directors need not hold any of our shares.

The chairman of the Board shall be elected and dismissed by a vote of more than one half of the Directors.

The chairman and vice chairman of the Board serve 3-year terms. Upon expiration of the term, the Director may be re-elected. Director can be the general manager or other senior management personnel at the same time. However, the number of the Directors who are also general manager or other senior management personnel shall not be more than half of the total number of Directors. There is no provision in the Articles of Association that imposes any age limit for Directors beyond which retirement of a Director is mandatory.

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 imposed penalty for the offense of corruption, bribery, embezzlement, larceny, or disrupting the social economic order and is within five years of the expiry date of punishment or has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence;

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- iii. A person who is a former director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated, was personally liable for the bankruptcy of such company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of such company or enterprise;
- iv. A person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, and is within three years of the date on which the business license of such company or enterprise was revoked;
- 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. A person who has been subject to administrative punishment by the CSRC in the last 3 years, or has been publicly denounced by the stock exchange in the last 12 months;
- viii. A person who has been filed for investigation by the judicial authority due to suspected crimes or has been filed for investigation by the CSRC due to suspected violations of laws and regulations, and has not yet reached a clear conclusion;
- ix. Other contents stipulated by laws, administrative regulations, departmental rules, other normative documents, the Listing Rules and other securities regulatory rules of the place where the company’s shares are listed.

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.

**(6) Duties**

The directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following fiduciary 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;

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- 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. Other fiduciary obligations stipulated in laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the company’s shares are listed and 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.

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;

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- 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. Other obligations of diligence stipulated in the laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed, and Articles of Association.

The fiduciary duty 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 end of the term of office, until the secrets become public information.

The specific time limit for Directors to undertake the fiduciary duty is 2 years from the date of the resignation takes effect or the term of office expires. The duration of other obligations shall be determined in accordance with the principle of fairness, depending on the nature of the matter, its importance to the company, the duration of its impact on the company, the relationship between it and the Director and other factors.

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.

In the event of any loss caused to our Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management when performing their duties in our Company, the Shareholders holding 1% or more shares separately or jointly for over 180 consecutive days may submit a written request to the Board of Supervisors to file an action with the people’s court. Where supervisors violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to our Company, the Shareholders may submit a written request to the Board of Directors to file an action with the people’s court.

In the event that the Board of Supervisors or the Board of Directors refuse to file an action upon receipt of the Shareholders’ written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of our Company, the Shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court for the interest of our 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.

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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 Shareholders’ 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**

The Shares held by the Shareholders of the Company are ordinary shares, without special 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.

When voting at the General Meeting, the Shareholder (including proxy) may exercise his or her voting rights in accordance with the number of shares with voting power held with each share representing one vote.

Any Shareholder who is required by the Hong Kong Listing Rules to abstain from voting on a matter or is limited to an affirmative or negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of relevant shareholder which is cast in violation of such requirement or restriction shall not be counted in the voting result.

The shares held by the Company itself shall have no voting right and shall not be counted in the total number of voting shares at the shareholders’ meeting.

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When the number of dissenting votes equals the number of supporting votes, regardless of voting by ballot or show of hands, the chairman of the Board of Directors is entitled to one additional vote.

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

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

At the time of the General Meeting, all shareholders or their proxies who are registered in the Register of Shareholders on the Date of The Share Registration are entitled to attend the meeting, to speak at the meeting and to exercise their voting rights in accordance with the relevant laws, rules and the Articles of Association.

### **6        ACCOUNTING AND AUDITS**

Our Company shall develop its financial accounting policies pursuant to laws, administrative regulations and rules developed by the competent department. Where there are special rules in the Listing Rules and other securities regulatory rules of the place where the Company’s Shares are listed, the special rules would prevail.

The Company employs an accounting firm that complies with the provisions of the Securities Law, the Listing Rules and other securities regulatory rules of the place where the Company’s Shares are listed 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 by ordinary resolution, and the Board of Directors shall not appoint accounting firms before the decision of the General Meeting. The remuneration of the accounting firm and the way to pay shall be determined by the General Meeting.

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 15 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.



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### 7 NOTICE AND AGENDA OF THE GENERAL MEETINGS

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

- i. The number of Directors is less than the minimum number specified in the PRC Company Law or less than two thirds of the number required in the Articles of Association;
- ii. The uncovered losses of our Company reach one-third of its total paid-in share capital;
- iii. The Shareholders with 10% or more shares of the Company separately or jointly request to convene an extraordinary general Shareholders’ meeting;
- iv. The Board of Directors considers it necessary;
- v. The Board of Supervisors considers it necessary;
- vi. Any other circumstances stipulated in laws, administrative regulations, regulations of the authorities, the Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed or the Articles of Association.

In the event that the Board of Directors agree to convene an extraordinary general meeting, the notice of convening the extraordinary general Shareholders’ meeting shall be issued within 5 days after the Board of Directors makes a resolution. With regard to the proposal of convening an extraordinary general Shareholders’ meeting made by the Board of Supervisors, 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 duty of convening the General Meeting, and the Board of Supervisors may convene and preside over the meeting by its own.

Shareholders who separately or jointly hold 10% or more of the shares may request in writing to convene an extraordinary general Shareholders’ 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 separately or jointly hold 10% or more of the shares 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 holding 10% or more shares separately or jointly for over 90 consecutive days could convene and preside the meeting by themselves.

In the event that 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.

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When convening an annual general Shareholders’ meetings, our Company shall send a written notice 20 days before it is convened. When convening an extraordinary general Shareholders’ meeting, our Company shall send a written notice 15 days before it is convened. When the Company calculates the starting period of “20 days” and “15 days”, it does not include the date of the meeting, but includes the date of the notice.

The notice of the General Meeting shall be made in writing, including the following contents:

- i. The place, the date and the hour of the meeting;
- ii. The matters and proposals to be discussed at the meeting;
- iii. Conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;
- iv. The registration date of the share of the shareholder entitled to attend the Shareholders’ meeting;
- v. Name and phone number of the standing contact person for affairs;
- vi. Voting time and voting procedure by network or other means (if any);
- vii. Other requirements specified in the laws, administrative regulations, regulations of the authorities, the Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association.

The notice of the General Meeting and the supplementary notice shall fully and completely disclose all the specific contents of all proposals. 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 of General Meeting or supplementary notice is issued. The start time of voting (if any) by network or other means at the General Meeting shall not be earlier than 3:00 p.m. on the day before the on-site General Meeting is held, nor later than 9:30 a.m. on the day of the on-site General Meeting, and the end time shall not be earlier than 3:00 p.m. on the day of the on-site General Meeting.

The interval between the equity registration date and the meeting date shall be no more than 7 working days. Once the equity registration date is confirmed, it cannot be changed.

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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 budgets plan and final accounts plan of the Company;
- v. Annual report of the Company;
- vi. Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed or the Articles of Association.

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

- i. The increase or decrease of the share capital, or the issuance of stock, warrants or other similar securities of any kind;
- ii. Issuance of company bond;
- iii. Division, spin-off, merger, dissolution and liquidation of our Company;
- iv. Change of form of our Company;
- v. Substantial assets acquired or disposed of or security provided within one year for an amount exceeding 30% of the latest audited total assets of our Company;
- vi. Amendment of the Articles of Association;
- vii. Share equity incentive plan;
- viii. Other matters as required by the laws, administrative regulations, Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association, And matters approved by ordinary resolution of the General Meeting which are believed could materially affect our Company and need to be approved by special resolution.

In the event that 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.

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In the event that 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 shares issued before the public issuance of shares by our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded on a securities exchange.

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 transferable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the shares of the same class of our Company. The shares that they held in our Company shall not be transferred within one year of the date on which the stocks of our Company are listed and traded. The aforesaid persons shall not transfer their shares of our Company within six months 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 or other securities with the nature of equity he holds within 6 months of the relevant purchase, or purchases any stock or other securities with the nature of equity 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 a best efforts underwriting or where the provisions of the securities regulatory authority under the State Council are listed 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**

Under any of the following circumstances, our Company may buy back our outstanding issued shares:

- i.     Reduce our Company’s registered capital;
- ii.    Merger with other companies which hold our shares;
- iii.   Granting shares to the staff of our Company as incentives;
- iv.    Requesting the Company to buy back its shares from shareholders who vote against any resolutions adopted at the General Meeting concerning the merger and division of the Company;
- v.     To convert shares into bond issued by our Company which is convertible to stock of our Company;
- vi.    Necessary for our Company to maintain our Company’s value and Shareholders’ equity;
- vii.   Other circumstances permitted by laws and administrative regulations.

A Company may purchase its own Shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the Listing Rules, and other securities regulatory rules of the place where the Company’s Shares are listed or the CSRC (if required). Where any Company purchases its own Shares under any of the circumstances specified in the provisions set forth in iii, v, vi above, centralized trading shall be adopted publicly.

### **10    DIVIDEND AND OTHER DISTRIBUTION METHODS**

The Company attaches importance to the reasonable return on investment to Shareholders, and the profit distribution should follow the principle of paying attention to the reasonable return on investment to Shareholders and benefiting the long-term development of the Company. The Company’s profit distribution policy should maintain continuity and stability, and comply with the relevant provisions of laws and regulations. The Company may distribute dividends in cash or stock. Under the condition that the Company has distributable profits, the Board of Directors of the Company may make cash dividend distribution plans or/and stock dividend distribution plans according to the Company’s business and financial conditions.

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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.

### **11    SHAREHOLDER PROXIES**

Any shareholder who is entitled to attend and vote at General Meeting has the right to appoint one or more persons (who may not necessarily be shareholders) as his or her shareholder proxy to attend and vote at the meeting in his or her place.

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.

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 the principal shareholder is a Recognized Clearing House (or his agent) as defined in the relevant ordinances enacted from time to time in Hong Kong, the shareholder may authorize its company representative or one or more persons as it deems appropriate to act as its representative at any General Meeting or any class of shareholders. However, if more than one person is authorized, the power of attorney or letter of authorization shall specify the number and type of shares involved in such authorization, and the power of attorney shall be signed by the authorized person of the recognized clearing house. Such authorised person may represent the Recognised Clearing House (or its proxies) at the meeting (without presenting a shareholding certificate, notarized authorisation and/or further evidence confirming its duly authorisation) exercising the statutory rights equivalent to those enjoyed by other shareholders, including the right to speak and vote, as if the person were an individual shareholder of our Company.

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

Our Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities.

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.

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The original register of the shareholders of the overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

Our Company shall keep a copy of the register of the shareholders of the overseas listed foreign shares at our residential address. The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the shareholders of the overseas listed foreign shares. The register of shareholders maintained in Hong Kong must be accessible to shareholders, but a company may be allowed to suspend the registration of shareholders under the same terms as the Company Ordinance (Cap. 622).

### **13 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; Controlling shareholders and actual controllers who violate Articles of Association and cause losses to the Company shall be liable for compensation.

Controlling Shareholders and ultimate controllers of the Company shall have a duty of care 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.

### **14 PROCEDURES FOR LIQUIDATION**

Under any of the following circumstances, our Company shall be lawfully dissolved and liquidated:

- i. The term of business of our Company has expired or other causes of dissolution as provided for in Articles of Association;
- ii. The General Meeting adopts a resolution to dissolve our Company;
- iii. Our Company needs to be dissolved for the purpose of merger or division;
- iv. The business license is revoked, or our Company is ordered to close or be eliminated according to applicable law; or
- v. Where our Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company’s shareholders may request the People’s Court to dissolve the Company.

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Where our Company is dissolved due to the provisions set forth in i, ii, iv, v above, the liquidation team shall be established within 15 days from the date of the event leading to liquidation to commence dissolution and the personnel of the liquidation team shall consist of the persons determined by the Directors or the General Meeting.

Within 10 days of the establishment of the liquidation team, the creditors shall be notified and an announcement shall be published in the newspaper within 60 days. The creditors shall declare their claims to the liquidation team within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation team shall carry out registration of the claims. During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

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.

In the event the liquidation team finds that, after taking stock of our Company’s property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall immediately apply to the people’s court to declare bankruptcy.

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

### **15 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.

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.



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## **APPENDIX V                      SUMMARY OF THE ARTICLES OF ASSOCIATION**

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The Company shall, subject to the provisions of the Constitution of the Communist Party of China, establish a party organization and carry out party-related activities. The Company provides the necessary conditions for the activities of the party organization.

### **(2) Share and Transfer**

Our Company may increase stock capital by the following means:

- i. Issuing new shares to unspecified investors;
- ii. Placing new shares to specified investors;
- iii. Allocating or giving new shares to existing shareholders;
- iv. Converting the reserve funds into share capital;
- v. Other means approved by the laws, administrative regulations or approved by the CSRC and the Hong Kong Stock Exchange.

Our Company may decrease our registered share capital and shall comply with the procedures stipulated in Company Law of the PRC, other related regulations, the Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association.

Upon approval and filed by the competent securities department of the State Council and approved by the Hong Kong Stock Exchange, the not listed shares of the Company can be listed and traded on an overseas stock exchange. Such domestic shares shall be in compliance with the regulatory procedures, provisions and requirements of overseas securities market after being listed and traded on an overseas stock exchange.

Domestic unlisted shares can converted into overseas listed shares and listed for trading on overseas stock exchanges, and there is no need to convene a General Meeting to vote. The domestic unlisted shares issued by the company are centrally deposited with domestic securities registration and settlement institutions.

### **(3) Shareholders**

The shareholders of our Company are persons lawfully holding the Company’s shares and whose names (titles) are already listed in the register of shareholders. Shareholder is entitled to rights and assumes obligations pursuant to the classification and ratio of his or her shares. Shareholder holding the same classified share has the same rights and assumes the same obligations.

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

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The rights of our shareholders are as follows:

- i. To receive distribution of dividends and other forms of benefits according to the number of shares held;
- ii. To legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the General Meeting and exercise corresponding voting rights;
- iii. To supervise operational activities of our Company, provide suggestions or submit queries;
- iv. To transfer, grant and pledge the Company’s shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- v. To read the Articles of Association, the list of Shareholders, Company bond stubs, General Meeting minutes, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors and financial and accounting reports;
- vi. To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- vii. To require our Company to acquire the shares from Shareholders voting against any resolutions adopted at the General Meeting concerning the merger and division of the Company;
- viii. Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where our Company’s shares are listed, 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.

The obligations of Shareholders are as follows:

- i. to abide by laws, administrative regulations, regulations of the authorities, regulatory rules where our Company’s shares are listed, or the Articles of Association;
- ii. to provide Share capital according to the Shares subscribed for and Share participation methods;

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## APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

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- 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 damage the interests of the Company’s creditors;
- v. to perform other duties prescribed in laws, administrative regulations, regulatory rules where our Company’s shares are listed, and the Articles of Association.

Any company 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 seriously damages the interests of the Company’s creditors shall assume joint and several liability for the Company’s debts.

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

The Board of Directors is responsible to the General Meeting and exercises the following powers:

- i. To convene the general Shareholders’ meeting and report on work to the General Meeting;
- ii. Implement the resolutions of the General Meeting;
- iii. Determine the business and investment plans of our Company;
- iv. Devise the annual financial budget and closing account plans of our Company;
- v. Devise the earnings distribution and loss offset plans of our Company;
- vi. Formulate the plans for increasing or decreasing our Company’s registered capital, the issuance of corporate bonds or other securities, as well as the listing of the stock of our Company;
- vii. Formulate plans for major acquisitions of the Company, the buy-back of shares of our Company, corporate merger, separation of our Company, spin-off, changing the form and dissolution of our Company;
- viii. Determine such matters as the Company’s external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction (except for transactions between our Company and its subsidiaries) and external donation within the scope authorised by the General Shareholders’ Meeting;

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

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- ix. Decide on the setup of our Company’s internal management organisation;
- x. To decide on matters such as appointment or dismissal of the Company’s general manager, secretary to the Board of Directors and other senior officers and on their compensation and incentives/disincentives; to decide on matters such as appointment or dismissal of the Company’s vice general manager, chief financial officer and other senior management and on their compensation and incentives/disincentives; to determine such matters as investment, purchase or sale of assets, financing and connected transaction (except for transactions between our Company and its subsidiaries) as decided by the Board of Directors pursuant to the Listing Rules and other securities regulatory rules of the place where the Company’s Shares are listed;
- xi. Set the basic management systems of our Company;
- xii. Make the modification plan to the Articles of Association;
- xiii. Manage the disclosure of company information;
- xiv. Request to the general meeting of shareholders to hire or replace the accounting firm auditing for the company;
- xv. Attend to the work report of our Company’s general manager and review the work of the general manager;
- xvi. Other powers and duties authorised by the laws, administrative regulations, regulations of the authorities, the Listing Rules, other securities regulatory rules of the place where the Company’s Shares are listed and the Articles of Association.

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

Meetings of the Board of Directors shall be attended by more than one-half of the Directors before the Board of Directors meeting can be convened.

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

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. All members of the Audit Committee must be independent non-executive directors, at least one of whom has appropriate professional qualifications as required by the Listing Rules, or has appropriate accounting or related financial management expertise.

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

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

Our Company shall have one 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, the disclosure of information, etc.

**(7) Board of Supervisors**

Our Company shall set up a Board of Supervisors.

The Board of Supervisors consists of three Supervisors and includes one chairman. The chairman of the Board of Supervisors shall be elected and dismissed by more than a two-thirds vote of the members of the Board of Supervisors.

The Board of Supervisors shall consist of Shareholder’s representatives and employee’s representatives.

Resolutions of the Board of Supervisors shall require approval from two-third of all the Supervisors. The Supervisors serve three-year terms.

The Directors and senior management shall not also serve as Supervisors.

The Board of Supervisors is responsible to the General Meeting and lawfully exercises the following powers:

- i. To examine and give written examination opinions on the Company’s regular reports prepared by the Board of Directors;
- ii. Supervise the Company’s duties performing of Directors and senior management, and put forward suggestions for dismissing any Directors or senior management who are in breach of the laws, administrative regulations, the Articles of Association or resolutions of the General Meetings;
- iii. Require the Directors and senior management to take corrective measures when their actions are detrimental to the Company’s interests;
- iv. To review the financial affairs of the Company;
- v. Check financial information such as financial reports, business reports and profit distribution plans to be submitted by the board of directors to the General Meeting, and if doubts are found, the company may appoint a certified public accountant or a licensed auditor in its name to help review them;

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

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- vi. Propose to convene an extraordinary General Meeting, and where the Board of Directors fails to perform the duties in relation, to convene or preside over the General Meeting, to convene and preside over the General Meeting;
- vii. Submit proposals at the General Meetings;
- viii. Propose an ad hoc meeting of the Board of Directors;
- ix. Bring actions against the Directors and senior management in accordance with the PRC company laws;
- x. Investigate into any abnormalities in operation of our Company; if necessary, to engage accounting firms, law firms and other professional institutions to assist its work, and the expenses shall be borne by our Company;
- xi. Other powers and duties stipulated in the laws, administrative regulations, Articles of Association and authorized by the General Meetings.

The Supervisors may attend the meetings of the Board of Directors.

**(8) General manager**

Our Company has one general manager, appointed or dismissed by the Board of Directors. The general manager of our Company is responsible to the Board of Directors and exercises the following powers:

- i. Be in charge of the producing and operational management of our Company, and report to the Board of Directors on work;
- ii. Organise the implementation of the resolutions of Board of Directors, annual operation plans and investment schemes;
- iii. Devise the annual financial budget and closing account plans of our Company and make recommendations to the Board of Directors;
- iv. Formulate the fundamental management rules and structure scheme of the internal department of our Company;
- v. Formulate the basic rules of the Company;
- vi. Propose the appointment or dismissal of the Company’s vice general manager, chief financial officer and other senior management to the Board of Directors;
- vii. Appoint or dismiss other management personnel and general employees except those who shall be appointed or dismissed by the Board of Directors;

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

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- viii. Proposing an ad hoc meeting of the Board of Directors;
- ix. To decide other matters of the Company within the scope authorized by the Board of Directors;
- x. To decide on investments, acquisitions and sale of assets, financing that must be decided by other than the Board of Directors or the General Meeting;
- xi. Other powers and duties stipulated in the Articles of Association and the Board of Directors.

**(9) Reserves**

When the annual after-tax earnings of our Company are distributed, our Company must allocate 10% of the earnings to the statutory reserve of the Company.

When the total amount of the statutory reserve exceeds 50% of our Company’s registered capital, no more allocations need to be drawn.

If the Company’s statutory reserve is insufficient to offset our losses during the previous year, the earnings generated during the current year must be used to make up the losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve from the after-tax earnings of our Company, we may also allocate to the reserves at will from after-tax earnings in line with the resolution(s) adopted at the General Meeting.

After our Company has made up for its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the Shareholders, unless otherwise specified by the Articles of Association.

If the General Meeting violates the above provisions and profits are distributed to the Shareholders before the Company makes up for losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company.

The shares held by our Company itself shall not be subject to profit distribution.

The Company’s reserves used for offsetting losses of the Company, expanding the scale of business and operations or for conversion into capital to increase our capital, but the capital reserve shall not be used to offset losses of the Company.

Where the statutory reserve converses into capital, the remaining statutory reserve shall not be less than 25% of the registered capital of our Company before such conversion.