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## APPENDIX V

## SUMMARY OF ARTICLE OF ASSOCIATION

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This appendix contains a summary of the main provisions of the Articles of Association approved on July 19, 2024, which will take effect on the date of [REDACTED] of H shares on the Stock Exchange. This main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, and therefore may not contain all the information that is important for potential investors.

### General Provisions

The Company is a joint stock limited liability company in perpetual existence.

The Articles of Association shall become a legally binding document regulating the Company’s organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders, and are binding on the Company and its shareholders, directors, supervisors and senior management.

### Shares and Transfer of Shares

Shares of the Company shall be issued in a fair and equal manner and shares of the same class shall carry the same rights.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity and individual.

The Company does not have a class of shares.

Shares of the Company held by promoters shall not be transferred for a period of one year after the Company’s establishment. Shares issued prior to the Company’s public offering of shares shall not be transferred for a period of one year from the date of listing and trading of the Company’s shares on the stock exchange.

The directors, supervisors and senior management of the Company shall declare to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares held by them in the Company each year during their term of office; their shares in the Company shall not be transferred within one year from the date of listing and trading of the Company’s shares. The shares of the Company held by the abovementioned persons shall not be transferred within six months after their departure from office.

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### **Increase, Reduction and Repurchase of Shares**

Based on its operating and development needs, the Company may, pursuant to the laws and regulations and resolutions made at shareholders’ general meetings, increase its capital in the following ways:

- (I) public offering of shares;
- (II) private placement of shares;
- (III) distribution of dividends to existing shareholders;
- (IV) conversion of funds in the capital reserve to share capital;
- (V) other means prescribed by laws and administrative regulations and approved by the China Securities Regulatory Commission and the securities regulatory authorities of the places where the Company’s shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital pursuant to the Company Law, other relevant provisions and procedures specified in the Articles of Association.

The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and the Articles of Association, repurchase its shares under the following circumstances:

- (I) reduction of the registered capital of the Company;
- (II) merger with another company holding shares of the Company;
- (III) use of shares for employee stock ownership plans or equity incentives;
- (IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders’ general meeting on the merger or division of the Company;
- (V) use of shares for conversion of corporate bonds convertible into shares issued by the Company;
- (VI) necessity for maintaining company value and protecting shareholders’ equity;
- (VII) any other circumstances stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed.

The Company shall not trade its shares except in the aforesaid circumstances.

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### Shareholders

The rights of the Company’s 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 appoint a shareholder proxy to participate in the shareholders’ general meeting and exercise corresponding rights to vote;
- (III) to supervise the Company’s operations, put forward proposals or raise enquiries;
- (IV) to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association;
- (V) to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of general meetings, resolutions of meetings of the Board, resolutions of meetings of the Supervisory Committee and financial accounting reports;
- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (VII) with respect to shareholders who voted against any resolution adopted at the shareholders’ general meeting on the merger or demerger of the Company, entitled to demand the Company to acquire the shares held by them;
- (VIII) any other rights stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

The shareholders of the Company shall have the following obligations:

- (I) to comply with laws, administrative regulations and the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw shares unless required by the laws and regulations;

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- (IV) not to abuse their shareholders’ rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;

Shareholders of the Company who abuse their shareholders’ rights and thereby cause loss to the Company or other shareholders shall be liable for indemnity according to the law. Where shareholders of the Company abuse the Company’s position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

- (V) any other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

### Shareholders’ General Meeting

#### General Provisions

The shareholders’ general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (I) to decide on the Company’s operational policies and investment plans;
- (II) to elect and remove directors and supervisors not represented by employees and to decide on matters relating to the remuneration of directors and supervisors;
- (III) to consider and approve reports of the Board;
- (IV) to consider and approve reports of the Supervisory Committee;
- (V) to consider and approve the Company’s proposals for annual financial budget and final accounts;
- (VI) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (VII) to decide on any increase or reduction of the Company’s registered capital;
- (VIII) to decide on the issue of corporate bonds;
- (IX) to decide on issues such as merger, division, dissolution, liquidation and change of form of the Company;

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- (X) to amend the Articles of Association;
- (XI) to decide on the engagement and dismissal of the accounting firm of the Company;
- (XII) to consider and approve the guarantees as provided for in Article 45;
- (XIII) to consider the purchase, disposal of substantial assets or external investment of the Company with an amount exceeding 30% (including 30%) of the latest audited total assets of the Company within one year;
- (XIV) to consider and approve the changes in the use of proceeds;
- (XV) to consider equity incentive plans and employee stock ownership plans;
- (XVI) to consider other matters which are required to be determined at the shareholders’ general meeting as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

Shareholders’ general meetings include annual general meetings and extraordinary general meetings. The Company shall hold annual general meetings and extraordinary general meetings as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association to ensure that shareholders can exercise their rights in accordance with the law. Annual general meetings shall be held by the Company once every year and within six months from the close of the preceding fiscal year.

The Company shall convene an extraordinary general meeting within 2 months upon the occurrence of the following events:

- (I) the number of directors is less than the number as stipulated in Company Law or less than two-thirds of the number as specified in the Articles of Association;
- (II) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (III) requested by the shareholder(s) individually or collectively holding 10% or more of the shares of the Company;
- (IV) whenever the Board considers it necessary;
- (V) when the Supervisory Committee proposes to hold such a meeting;

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(VI) any other circumstances as stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

**Convening of Shareholders' General Meetings**

The independent non-executive directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to a proposal by an independent non-executive director to convene an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

The Supervisory Committee shall have the right to propose to the Board to convene an extraordinary general meeting. Such proposal shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

Shareholder(s) individually or collectively holding more than 10% of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting. Such request shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Supervisory Committee or shareholders decide(s) to convene the shareholders' general meeting by itself/themselves, it/they shall issue a written notice to the Board. Prior to the resolutions of the shareholders' general meeting are made in accordance with the law, the shares held by the convening shareholder(s) shall not be less than 10% of the shares of the Company.

**Proposals and Notices of Shareholders' General Meetings**

The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to make a proposal to the Company at a shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may make provisional proposals in writing to the convener of a shareholders' general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such provisional proposals to the shareholders within two days after receipt thereof.

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Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issue of the notice of the shareholders' general meeting.

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the shareholders' general meeting.

The convener shall notify shareholders by announcement 20 days prior to the date of the annual general meeting (excluding the date of which the meeting is convened) and 15 days prior to the date of the extraordinary general meeting (excluding the date of which the meeting is convened).

### **Holding of Shareholders' General Meetings**

All shareholders of the ordinary shares registered on the register of shareholders on the equity registration date or their proxies shall be entitled to attend the shareholders' general meeting and speak and exercise their and voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Any shareholder shall be entitled to attend the meeting in person, or appoint a proxy to attend, speak and vote on his/her behalf.

The shareholders' general meeting shall be presided over by the chairman of the Board. Where the chairman cannot or fails to perform his/her duties, half of the directors or more shall jointly recommend one director to preside over the meeting.

A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.

The shareholders' general meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.

When a shareholders' general meeting is held and the presider violates the Rules of Procedure in a way that makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the presider of the meeting so as to carry on with the meeting, subject to the approval of more than one half of the attending shareholders with voting rights.

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The convener shall ensure that the shareholders’ general meeting does not end until a final resolution is made. In case the shareholders’ general meeting is suspended or the shareholders’ general meeting is prevented from passing a resolution due to force majeure or other special reasons, necessary measures shall be taken to reconvene the meeting as soon as possible or to directly terminate the meeting, and timely make announcements and reports in accordance with laws, regulations or securities regulatory rules of the place where the Company’s shares are listed.

### **Voting and Resolutions at Shareholders’ General Meetings**

The resolutions of shareholders’ general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by more than one half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders’ general meeting.

The following matters shall be approved by the shareholders’ general meeting through ordinary resolutions:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans drafted by the Board;
- (III) appointment or dismissal of the members of the Board and the Supervisory Committee not represented by employees, their remunerations and the method of payment thereof;
- (IV) the Company’s annual budgets and final accounts;
- (V) annual report of the Company;
- (VI) other matters other than those approved by special resolution as stipulated in the laws, administrative regulations or the Articles of Association.

A special resolution shall be adopted by more than two-thirds of the votes held by the shareholders (including proxies of shareholders) attending the shareholders’ general meeting.

The following matters shall be approved by special resolution at the shareholders’ general meeting:

- (I) the increase or decrease of the registered capital of the Company;
- (II) division, merger, dissolution and liquidation of the Company or the change of form of the Company;
- (III) amendment of the Articles of Association;



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- (IV) substantial assets acquired, disposed of or invested externally by the Company for an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (V) equity incentive plans;
- (VI) other matters as required by the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, and confirmed by an ordinary resolution at a shareholders’ general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

Shareholders (including proxies thereof) who vote shall exercise their voting rights in accordance with the number of voting shares represented by them, and each share carries the right to one vote.

The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders’ general meeting.

In compliance with the provisions of applicable laws, regulations, securities regulatory rules of the place where the Company’s shares are listed, the Board, independent non-executive directors and shareholders who meet the relevant requirements can openly gather voting rights from shareholders. Voting rights shall be gathered with sufficient disclosure of information, such as preference of vote, to shareholders from whom voting rights are gathered. Compensation or compensation in disguise for the voting rights gathered is prohibited. Except for statutory conditions, the Company shall not set a minimum shareholding limit for gathering voting rights.

If any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favour of or against a resolution under the Listing Rules of the Hong Kong Stock Exchange, the votes cast by that shareholder or his proxy in violation of such requirements or restrictions shall not be counted.

Shareholders attending the shareholders’ general meeting shall present one of the following views on the proposals submitted for voting: for, against or abstention. The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder’s intent.

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The resolutions of the shareholders' general meeting shall be announced in a prompt manner according to laws, regulations or securities regulatory rules of the place where the Company's shares are listed, and the announcement shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the form of voting, the voting result of each proposal and the detailed content of each resolution passed.

### Directors

Directors shall be elected or replaced at the shareholders' general meetings each for a term of three years. A director may seek re-election upon expiry of the said term. If not otherwise required by laws, any director (including the managing director or other executive directors) may be removed by an ordinary resolution at a shareholders' general meeting before the expiry of his/her term of office; however, the claim for compensation made by the director under any contract shall not be affected by the removal.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current term of the Board. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected director assumes his/her office.

Without the violation the regulatory rules of the place where the Company's shares are listed, director appointed by the Board to fill a casual vacancy or add the quota of directors of the Board shall only serve from the date of appointment until the first annual general meeting of the Company after his/her appointment and is eligible for re-election.

A director may serve concurrently as general manager or other senior management member, provided that the aggregate number of the directors who serve concurrently as general manager or other senior management members shall not exceed one half of the total number of directors of the Company.

The Board of the Company does not have any director who is represented by employee.

A director may resign before expiry of his/her term of office. The resigning director shall submit a written resignation to the Board. The Board will disclose relevant information to shareholders within two days.

In the event that the resignation of any director results in the number of members of the Board of the Company being less than the statutory minimum requirement, the said director shall continue to perform duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected director assumes his/her office.

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Save for the circumstances in the preceding paragraph, the resignation of a director shall become effective upon submission of his/her resignation to the Board.

If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her obligations of honesty to the Company and shareholders thereof shall remain effective within one year upon the end of his/her term of office.

The director’s confidentiality obligation in respect of trade secrets of the Company survives the termination of his/her term of office until such secrets become publicly known. Duration of other obligations of honesty shall be determined following the principle of fairness, depending on the length of time between the incident and the leave, and the circumstances and conditions under which the relationship with the Company ended.

Directors’ qualification shares: the articles of association do not provide for directors’ qualification shares.

### **Board**

The Board shall consist of 7 directors, with 3 independent non-executive directors and one chairman. At all times, the Board shall have more than one-third independent non-executive directors, and the total number of independent non-executive directors shall not be less than three. At least one independent non-executive director shall have appropriate professional qualifications in line with regulatory requirements or be equipped with appropriate accounting or relevant financial management expertise.

The Board shall consist of one chairman which shall be elected by a majority of all directors.

The Board exercises the following powers:

- (I) to convene the shareholders’ general meeting and report on work to the shareholders’ general meeting;
- (II) to implement the resolutions of the shareholders’ general meeting;
- (III) to determine the business and investment plans of the Company;
- (IV) to devise the annual financial budget and closing account plans of the Company;
- (V) to devise the profit distribution plans and loss recovery plans of the Company;
- (VI) to formulate the plans for increasing or decreasing the Company’s registered capital, the issuance of bonds or other securities, as well as the listing of the Company;

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- (VII) to formulate plans for major acquisitions of the Company, the buy-back of shares of the Company, or merger, division, dissolution and change of the form of the Company;
- (VIII) to determine such matters as the Company’s external investment, acquisition or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction within the scope authorized by the shareholders’ general meeting;
- (IX) to decide on the setup of the Company’s internal management organization;
- (X) to appoint or dismiss the Company’s general manager and the secretary of the Board; based on the nomination of the general manager, to appoint or dismiss senior management members of the Company such as deputy general manager and finance manager and determine their remunerations and rewards and punishments;
- (XI) to set the basic management systems of the Company;
- (XII) to make the modification plan to the Articles of Association;
- (XIII) to manage the disclosure of company information;
- (XIV) to propose the appointment or replacement of the accounting firm that performs audits for the Company at the shareholders’ general meeting;
- (XV) to attend to the work report of the Company’s general manager and review the work of the general manager;
- (XVI) assume the ultimate responsibility for money laundering risk management and perform the following duties: establish the goal of building a money laundering risk management culture; review money laundering risk management strategies; approve money laundering risk management policies and procedures; authorize senior management to take the lead in money laundering risk management; regularly review anti-money laundering work reports and promptly understand major money laundering risk events and remediation; and perform other relevant duties as required by relevant laws, administrative regulations, departmental rules and other normative documents;
- (XVII) other powers and duties authorized by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

Matters beyond the scope of authority of the shareholders’ general meeting shall be submitted to the shareholders’ general meeting for deliberation.

Board meetings shall be held at least four times a year (about once a quarter) and shall be convened by the chairman of the Board with written notice to all directors and supervisors 14 days prior to the meeting.

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Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory committee may propose to convene an interim Board meeting. The chairman shall convene and preside over a Board meeting within 10 days from the receipt of the proposal.

Notices of interim Board meeting convened by the Board shall be sent by hand, mail, fax or email. The notification time limit is at least 3 days before holding the meeting. The obligation to notify in advance may be waived with the consent of all directors. If a director has attended the meeting and has not raised any objection that the meeting notice has not been received before attending the meeting or while attending the meeting, the meeting notice shall be deemed to have been issued to him/her.

The Board meeting shall be attended by more than one half of the directors. Resolutions made by the Board shall be approved by a majority of all directors. When the Board considers the external guarantee, the resolution shall also be approved by at least two-thirds of the directors present at the Board meeting.

Voting on the resolutions of the Board shall be conducted on a one-person-one-vote basis.

The voting procedure for Board resolutions is on-site voting.

To ensure that Directors can fully express their opinions, interim Board meetings may be held in other ways and signed by the participating directors.

A director who is related/connected to an enterprise involved in a matter resolved at a board meeting shall not exercise his/her voting rights on that resolution, nor shall he/she exercise his/her voting rights on behalf of other directors. The Board meeting shall be held with the attendance of a majority of the unaffiliated/connected directors, and the resolutions made at the Board meeting shall be passed by a majority of the unaffiliated directors. If the number of unaffiliated/connected directors attending the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

### ***Borrowing Authority***

The Articles of Association do not contain any specific provision regarding the exercise of borrowing authority by the Directors.

### **Senior Management**

The Company shall consist of one general manager who is appointed or dismissed by the Board. The general manager, deputy general manager, financial controller and secretary of the Board are the senior management personnel of the Company.

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### General Manager

Each term of office of the general manager is three years and is renewable upon re-election.

The general manager is responsible to the Board and exercises the following powers:

- (I) to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the Board and report to the Board on work;
- (II) to organize the implementation of the annual operation plans and investment schemes of the Company;
- (III) to formulate the structure scheme of the internal management department of the Company;
- (IV) to formulate the fundamental management policies of the Company;
- (V) to formulate the specific management rules of the Company;
- (VI) to propose to the Board of Directors the appointment or dismissal of senior management such as the Company’s deputy general manager and finance controller;
- (VII) to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the Board of Directors;
- (VIII) other functions and powers authorized by the Articles of Association and the Board.

The general manager shall attend the Board meetings without voting rights.

### Secretary of the Board

The Company shall have a secretary of the Board who shall be nominated by the chairman and appointed or dismissed by the Board. Before the expiration of the term of the secretary of the Board, the Company shall have sufficient reasons for dismissing the secretary of the Board and shall not dismiss him/her without reason. The secretary of the Board is responsible for the preparation and document storage for the Company’s shareholders’ general meetings and Board meetings, as well as the management of the Company’s shareholder information and handling information disclosure matters.

### Supervisory Committee

The Company shall have a Supervisory Committee comprised of 3 supervisors.

The supervisory committee shall have one chairman which is elected by at least a majority of its members by voting.

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Meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee; if the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor who has been elected by more than one half of the supervisors shall convene and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall comprise shareholder representatives and employee representatives, in which its proportion shall not be less than one-third.

The shareholder representatives in the Supervisory Committee shall be elected by the shareholders’ general meeting; the employee representative shall be elected democratically by the employees of the Company at the employee representatives’ meeting.

The Supervisory Committee shall exercise the following powers:

- (I) to examine the regular reports of the Company prepared by the Board of Directors and produce written opinions thereon;
- (II) to examine the financial operations of the Company;
- (III) to supervise the performance of duties to the Company by the directors and senior management, and propose dismissal of any director or senior management member who violates the laws, administrative regulations, the Articles of Association or resolutions of shareholders’ general meeting;
- (IV) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (V) to propose the convening of an extraordinary general meeting, and to convene and preside over the shareholders’ general meeting when the Board of Directors fails to perform such duties as specified in the Company Law;
- (VI) to submit proposals to the shareholders’ general meeting;
- (VII) to institute legal proceedings against the directors and senior management members according to the Company Law;
- (VIII) in the event that the Supervisory Committee discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as accounting firms and law firms, to assist in its work; any expenses incurred thereby shall be borne by the Company;
- (IX) to exercise other functions and powers as specified in the laws, administrative regulations, departmental rules, securities regulatory authorities where the Company’s shares are listed and the Articles of Association.

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### Financial and Accounting System

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the preceding paragraph.

After withdrawing statutory reserve fund from after-tax profit, the Company may, subject to a resolution of the shareholders’ general meeting, withdraw discretionary reserve fund from after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings unless otherwise specified in the Articles of Association.

If the shareholders’ general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provisions.

The Company’s shares held by the Company are not entitled to any profit distribution.

The reserve fund of the Company can be used for making up for losses of the Company, expanding the Company’s production and operation or increasing the registered capital of the Company.

To make up for the Company’s loss from the reserve fund, discretionary reserve fund and statutory reserve fund shall be used first; if it still cannot be made up, the capital reserve fund can be used in accordance with regulations.

Where the statutory reserve fund is converted into capital, the balance of the reserve fund shall not fall below 25% of the Company’s registered capital prior to such conversion.

The policy of profit allocation of the Company shall be:

- (I) Profit distribution principles: The Company adopts consistent and stable profit distribution policy, which should emphasize on investors’ reasonable investment return and take into account the immediate and long-term interests of shareholders to ensure the Company’s sustainable development.
- (II) Means of profit distribution: The Company may distribute profits in the form of cash, shares and by the combination of cash and share or otherwise as permitted by the law and regulations.