SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates.

The principles of openness, fairness and impartiality shall be applied in the issuance of shares of the Company, and each share of the same class have equal rights.

For shares of the same class issued in the same batch, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any subscriber, the price payable for each of such shares shall be the same.

Increase/Deduction and Repurchase of Shares

The Company may, based on its operational and development needs and pursuant to relevant laws, regulations and the Hong Kong Listing Rules, approve an increase in capital in the following manners upon respective resolutions at the shareholders' meeting:

(1) by issuing shares to unspecified objects after obtaining approval from relevant authorities;

(2) by issuing shares to specific objects;

(3) by allotting bonus shares to its existing shareholders;

(4) by capitalizing its capital reserve; and

(5) by any other means which are permitted by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, and the relevant national authorities such as the CSRC.

Upon approval in accordance with these Articles of Association, any increase of capital and issue of new shares by the Company shall be in compliance with the procedures as provided for in relevant national laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place where its shares are listed.

The Company may reduce its own registered capital. Where the Company reduces its own registered capital, it shall be conducted in accordance with the Company Law and other relevant provisions as well as the procedures stipulated in these Articles of Association.

The Company may not repurchase its own shares, except under the following circumstances:

(1) to reduce the registered capital of the Company;

(2) to merge with another company that holds shares in the Company;

(3) to utilize its shares in the employee stock ownership plan or for equity-based incentive;

(4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders' meeting on the merger or division of the Company;

(5) to utilize the shares for conversion of corporate bonds which are convertible into shares issued by the Company;

(6) where it is necessary for the Company to safeguard the value of the Company and the interests of its shareholders; and

(7) other circumstances permitted by relevant laws, regulations, and the securities regulatory rules of the place where its shares are listed.

In the event that the Company repurchases its own shares under the circumstances specified in Items (1) and (2) above, it shall obtain a resolution from the shareholders' meeting. When repurchasing shares under the circumstances specified in Items (3), (5) and (6) above, it may, in accordance with the provisions of its Articles of Association or the authorization of the shareholders' meeting, obtain a resolution from a board meeting attended by more than two-thirds (2/3) of the directors.

After the Company repurchases its own shares in accordance with the above provisions, if it falls under the circumstance specified in Item (1) above, the shares shall be canceled within ten (10) days from the date of repurchase; if it falls under the circumstances specified in Items (2) and (4) above, the shares shall be transferred or canceled within six months; and if it falls under the circumstances specified in Items (3), (5) and (6) above, the total number of the Company's own shares as held shall not exceed ten percent (10%) of the total number of issued shares of the Company, and such shares shall be transferred or canceled within three (3) years.

If relevant laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed provide otherwise for matters related to the aforementioned share repurchases, those provisions shall prevail.

Transfer of Shares

The shares of the Company may be transferred to other shareholders or to persons other than shareholders. Except as otherwise provided by laws, administrative regulations, departmental rules, normative documents, and the securities regulatory rules of the place where the Company's shares are listed, the Company's fully paid-up shares shall not be subject to any restrictions on transfer rights and may be freely transferred without any lien attached. The transfer of overseas-listed shares as listed in Hong Kong shall be registered with the stock registration agency in Hong Kong as entrusted by the Company. The Company shall not accept any of its shares as the subject matter of a pledge.

Shares as issued prior to the public offering of shares by the Company shall not be transferred within one year from the date of listing and trading of the Company's shares.

Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office as determined upon assuming their positions, the number of shares they transfer each year shall not exceed twenty-five percent (25%) of the total number of shares of the same class they hold in the Company; and the shares they hold shall not be transferred within one year from the date of listing and trading of the Company's shares. After leaving their positions, the aforementioned personnel shall not transfer the shares they hold in the Company within six months.

All transfers of H-shares shall be effected by means of a written instrument of transfer in the general or ordinary form or any other form acceptable to the Board of Directors (including the standard transfer form or transfer form specified by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may only be executed by handwritten signature or by affixing the Company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or its agent, the instrument of transfer may be executed by handwritten signature or by machine-imprinted signature. All instruments of transfer shall be deposited at the Company's registered office or at such other place as the Board of Directors may from time to time specify.

Register of Shareholders

The Company shall establish a register of shareholders, which shall be sufficient evidence to prove that shareholders hold shares in the Company. Shareholders shall enjoy rights and assume obligations in accordance with the classes of shares they hold; and shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations.

When the Company intends to convene a shareholders' meeting, distribute dividends, liquidate and engage in other actions that require confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' meeting shall determine the record date for equity registration. Shareholders registered on the record date shall be the shareholders entitled to relevant rights and interests.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Rights and Obligations of Shareholders

The shareholders of the Company shall enjoy the following rights:

(1) Receiving dividends and other forms of benefit distributions in proportion to the number of shares they hold;

(2) Requesting, convening, presiding over, attending or appointing their agents to attend the shareholders' meeting according to law and exercise corresponding voting rights (unless an individual shareholder is required to waive voting rights on specific matters under the Hong Kong Listing Rules) and speaking rights;

(3) Supervising the Company's operations, and making suggestions or inquiries accordingly;

(4) Transferring, gifting or pledging the shares they hold in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(5) Inspecting and copying the Articles of Association, register of shareholders (including the register of H-share shareholders), minutes of shareholders' meetings, resolutions of board meetings, and financial reports, in which regard eligible shareholders may inspect the Company's accounting books and accounting vouchers;

(6) Participating in the distribution of the remaining assets of the Company based on the number of shares held by them in the event of the termination or liquidation of the Company;

(7) Shareholders who object to resolutions on corporate mergers or divisions made by the shareholders' meeting may request the Company to repurchase their shares; and

(8) Having other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The shareholders of the Company shall assume the following obligations:

(1) Complying with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(2) Contributing to the share capital according to the number of shares subscribed for by them and the methods of capital contribution;

(3) Not withdrawing their contributed share capital, except as provided by laws and regulations;

(4) Not abusing their shareholder rights to harm the interests of the Company or any other shareholders, and not abusing the Company's independent status as a legal person and the shareholders' limited liability to harm the interests of the Company's creditors; and

(5) Assuming other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where any of the Company's shareholders abuses their rights and thus causes losses to the Company or other shareholders, such shareholder shall be liable for indemnity according to law. Where any of the Company's shareholders abuses the Company's independent status as a legal person and the shareholders' limited liability to evade debts and seriously harms the interests of the Company's creditors, they shall assume joint and several liability for the Company's debts.

Shareholder Proxy

Shareholders may attend shareholders' meetings in person or appoint proxies (who need not be shareholders) to attend and vote on their behalf.

The power of attorney issued by a shareholder about authorizing another person to attend a shareholders' meeting shall contain the following particulars:

(1) The name or designation of the principal, as well as the class and number of shares he/she holds in the Company;

(2) The name or designation of the proxy;

(3) Specific instructions from the shareholder, including instructions to vote for, against, or abstain on each item on the agenda of the shareholders' meeting;

(4) The issuance date and validity period of the power of attorney; and

(5) The signature (or seal) of the principal. If the principal is a non-natural person shareholder, the power of attorney shall be affixed with the seal of the non-natural person entity or signed by a legally authorized person.

If the securities regulatory rules of the place where the Company's shares are listed have special provisions regarding the power of attorney, such provisions shall prevail.

If a power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents for the authorized signature shall be notarized. Both the notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or at other places specified in the notice on convening the meeting.

Powers and Pending Matters of the Shareholders' Meeting

The shareholders' meeting is the governing authority of the Company and shall exercise the following functions and powers according to law:

(1) Electing and replacing directors who are not represented by employees, and deciding on matters relating to their remuneration;

(2) Deliberating and approving reports of the Board of Directors;

(3) Deliberating and approving profit distribution plans and loss compensation plans of the Company;

(4) Resolving on increase or decrease in the registered capital of the Company;

(5) Resolving on the issuance of corporate bonds;

(6) Resolving on matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;

(7) Amending the Articles of Association;

(8) Resolving on the appointment and dismissal of the accounting firm as engaged to audit the Company's business, and determining its remuneration;

(9) Deliberating and approving guarantee matters stipulated in Article 44 of the Articles of Association;

(10) Deliberating matters in which the Company (including its controlled subsidiaries) purchases or sells significant assets exceeding thirty percent (30%) of the Company's total assets as stated in the latest audited consolidated financial statements within one year;

(11) Deliberating and approving matters related to changes in the use of raised funds;

(12) Deliberating equity-based incentive plans and employee stock ownership plans;

(13) Repurchasing the Company's shares under the circumstances specified in Items (1) and (2) of Article 26 of the Articles of Association; and

(14) Deliberating other matters that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The following external guarantees of the Company must be deliberated and approved by the shareholders' meeting:

(1) Any guarantee provided after the total external guarantees by the Company and its controlled subsidiaries exceeds fifty percent (50%) of the Company's latest audited net assets;

(2) Any guarantee provided after the total external guarantees by the Company exceed thirty percent (30%) of the Company's latest audited total assets;

(3) Any guarantee where the Company provides guarantees to others within one year in an amount exceeding thirty percent (30%) of the Company's latest audited total assets;

(4) Any guarantee provided for guaranteed parties with an asset-liability ratio exceeding seventy percent (70%);

(5) Any guarantee with a single amount exceeding ten percent (10%) of the Company's latest audited net assets;

(6) Any guarantee provided for shareholders, actual controllers and their related parties (excluding the Company and its controlled subsidiaries); and

(7) Other guarantee circumstances stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

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

An ordinary resolution of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the meeting.

A special resolution of the shareholders' meeting shall be passed by at least two-thirds (2/3) of the voting rights held by the shareholders (including their proxies) present at the meeting.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share entitled to one vote.

The Company's own shares held by it have no voting rights, and such shares will not be included in the total number of voting shares present at the shareholders' meeting.

The following matters shall be passed by special resolutions of the shareholders' meeting:

(1) The increase or decrease in the registered capital of the Company;

(2) The division, split-up, merger, dissolution and liquidation of the Company;

(3) The amendment to the Articles of Association;

(4) Where the amount of major assets purchased or sold, or the guarantees provided to others by the Company within one year exceeds thirty percent (30%) of the Company's latest audited total assets;

(5) Any equity-based incentive plan; and

(6) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as those identified by an ordinary resolution of the shareholders' meeting as having a significant impact on the Company and requiring passage by a special resolution.

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

(1) The work reports of the Board of Directors;

(2) The profit distribution plans and loss compensation plans formulated by the Board of Directors;

(3) The appointment and dismissal of the members of the Board of Directors, and their remuneration and payment methods; and

(4) Other matters required to be passed by special resolutions except as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening, Proposals and Notifications of Shareholders' Meeting

The Board of Directors shall convene a shareholders' meeting within the specified time limit. Independent non-executive directors are entitled to propose to the Board of Directors the convening of an extraordinary shareholders' meeting, which shall be approved by more than half of all independent non-executive directors. Regarding the proposal by independent non-executive directors to convene an extraordinary shareholders' meeting, the Board of Directors shall provide written feedback within ten (10) days of receiving such a proposal, indicating whether it agrees or disagrees with convening the meeting in accordance with laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days after making such a resolution; but if the Board of Directors disagrees, it shall state the reasons.

The Audit Committee is entitled to propose to the Board of Directors the convening of an extraordinary shareholders' meeting, which shall be submitted in writing to the Board of Directors. The Board of Directors shall provide written feedback within ten (10) days of receiving such a proposal, indicating whether it agrees or disagrees with convening the meeting in accordance with laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days after making such a resolution. Any changes to the original proposal in the notice shall be approved by the Audit Committee. If the Board of Directors disagrees with convening an extraordinary shareholders' meeting or fails to provide feedback within ten (10) days of receiving such a proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duty to convene the shareholders' meeting, and then the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares are entitled to request the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall provide written feedback within ten (10) days of receiving such a request, indicating whether it agrees or disagrees with convening the meeting in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days after making such a resolution. Any changes to the original request in the notice shall be approved by the relevant shareholders. If relevant laws, regulations or the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail. If the Board of Directors disagrees with convening an extraordinary shareholders' meeting or fails to provide feedback within ten (10) days of receiving such a request, shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares are entitled to propose to the Audit Committee in writing to convene an extraordinary shareholders' meeting. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days of receiving such a request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to issue a notice of shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee will not convene and preside over the meeting, and shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares for more than ninety (90) consecutive days may convene and preside over the meeting on their own. If the Audit Committee or shareholders decide to convene the shareholders' meeting on their own, they shall notify the Board of Directors in writing.

For shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate in this regard. The Board of Directors shall provide the register of shareholders as of the record date. The register of shareholders obtained by the convener shall not be used for purposes other than convening a shareholders' meeting.

Proposals shall fall within the scope of authority of the shareholders' meeting, have clear topics and specific resolution matters, as well as comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders who individually or collectively hold more than one percent (1%) of the Company's shares are entitled to submit proposals to the Company.

Shareholders who individually or collectively hold more than one percent (1%) of the Company's shares may submit supplementary proposals in writing to the convener ten (10) days before the shareholders' meeting. The convener shall issue a supplementary notice of shareholders' meeting within two (2) days of receiving such a proposal, announce the contents of the supplementary proposal, and submit it to the shareholders' meeting for deliberation. However, this does not apply if the supplementary proposal violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or does not fall within the scope of authority of the shareholders' meeting. If the shareholders' meeting needs to be postponed due to the issuance of a supplementary notice in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the shareholders' meeting shall be postponed in accordance with such rules.

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

Proposals not listed in the notice of shareholders' meeting or not in compliance with the provisions of the Articles of Association shall not be put to a vote or result in resolutions at the shareholders' meeting.

Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year, and shall take place within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two (2) months from the date of occurrence of any of the following circumstances:

(1) When the number of directors is less than the number stipulated by the Company Law or two-thirds (2/3) of the number stipulated in the Articles of Association;

(2) When the Company's uncompensated losses reach one-third (1/3) of its total share capital;

(3) When shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares make a request (the shareholding ratio shall be calculated based on the number of shares held at the closing of the trading day on which the written request is submitted; and if the submission date is a non-trading day, it shall be the previous trading day);

(4) When the Board of Directors deems it necessary;

(5) When the Audit Committee proposes to convene a meeting; and

(6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other regulatory rules of the place where the Company's shares are listed, or the Articles of Association. If an extraordinary shareholders' meeting is convened in accordance with the securities regulatory rules of the place where the Company's shares are listed, the actual date of the meeting may be adjusted based on the approval progress of the stock exchange and other regulatory authorities in the place where the Company's shares are listed.

A notice of shareholders' meeting shall include the following information:

(1) The time, place and duration of the meeting;

(2) The matters and proposals to be submitted for deliberation at the meeting;

(3) A clear statement in prominent text that all shareholders are entitled to attend the shareholders' meeting and may appoint proxies in writing to attend the meeting and vote on their behalf, and such proxies are not required to be shareholders of the Company;

(4) The record date for these shareholders entitled to attend the shareholders' meeting;

(5) The name and telephone number of the permanent contact person for meeting affairs;

(6) The voting time and voting procedures via the Internet or other means (if applicable); and

(7) Other requirements stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, etc.

The notice of shareholders' meeting and supplementary notices shall include the contents required by the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals, as well as all information or explanations necessary for shareholders to make reasonable judgments on the matters to be discussed.

DIRECTORS AND SENIOR MANAGEMENT

Appointment, Removal and Resignation

Non-employee representative directors shall be elected or replaced by the shareholders' meeting and may be removed from their positions by the shareholders' meeting before the expiration of their terms. The term of office of directors shall be three (3) years, and they may be re-elected for consecutive terms upon expiration of their terms. The term of office of a director shall be calculated from the date when he/she takes the position and shall end when the term of office of the current Board of Directors expires. If the term of office of a director expires but a new director is not elected in a timely manner, the original director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the newly elected director assumes office. Subject to the relevant laws, regulations and regulatory rules of the PRC and the place where the shares of the Company are listed, if the Board of Directors appoints a new director to fill a casual vacancy or to increase the number of members on the Board of Directors, the term of office of the appointed director shall serve only until the first annual shareholders' meeting following their appointment. Such appointed directors shall be eligible for re-election at that annual shareholders' meeting. Directors may also serve as senior management, but the total number of directors who also serve as senior management and directors who are employee representatives shall not exceed one-half (1/2) of the total number of directors of the Company.

The Board of Directors shall consist of nine (9) directors, including one (1) employee representative director, and shall have one (1) chairman. At all times, at least one-third (1/3) members of the Board of Directors shall be independent non-executive directors, and the number of such independent non-executive directors shall not be less than three, among whom at least one independent non-executive director shall possess appropriate accounting or related financial management expertise or appropriate professional qualifications that meet regulatory requirements. The chairman of the Board of Directors shall be elected by the Board of Directors subject to the affirmative vote of a simple majority of all directors.

Directors shall comply with the provisions of laws, administrative regulations and the Articles of Association, owe a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the corporate interests, and shall not make use of their positions to seek improper benefits.

Directors owe the following duties of loyalty to the Company:

(1) Not to misappropriate the Company's property or misappropriate the Company's funds;

(2) Not to open accounts in their own names or other individuals' names to deposit the Company's funds;

(3) Not to make use of their positions to offer bribes or accept other illegal income;

(4) Without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association, not to directly or indirectly enter into contracts or conduct transactions with the Company;

(5) Not to make use of their positions to seek business opportunities belonging to the Company for themselves or others, except where they have reported to the Board of Directors or the shareholders' meeting and obtained approval through a resolution of the shareholders' meeting, or where the Company is unable to utilize such business opportunities in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;

(6) Without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting, not to engage in the same type of business as the Company on their own behalf or on behalf of others;

(7) Not to accept commissions from transactions between others and the Company and keep them for themselves;

(8) Not to disclose the Company's secrets without authorization;

(9) Not to use their connected relationships to harm the Company's interests; and

(10) To have other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of the provisions of this article shall belong to the Company; and if any loss is caused to the Company, the director shall be liable for compensation.

When a close relative of a director or senior management, an enterprise directly or indirectly controlled by a director, senior management or their close relatives, or a connected person having other connected relationships with a director or senior management enters into contracts or conducts transactions with the Company, the provisions of Item (4) above shall apply.

Directors shall comply with the provisions of laws, administrative regulations and the Articles of Association, and owe a duty of diligence to the Company. When performing their duties, they shall exercise the reasonable care typically expected of managers for the best interests of the Company.

Directors owe the following duties of diligence to the Company:

(1) To exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's business activities comply with national laws, administrative regulations and various national economic policies and that its business activities are within the scope specified in the business license;

(2) To treat all shareholders equally and fairly;

(3) To understand the operation and management status of the Company in a timely manner;

(4) To execute written confirmations against periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(5) To truthfully provide relevant information and materials to the Audit Committee, and not to obstruct the Audit Committee from exercising its functions and powers; and

(6) To have other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

No one shall serve as a director or senior management of the Company under any of the following circumstances:

(1) Has no civil disposing capacity or his/her civil disposing capacity is limited;

(2) Has been sentenced to criminal penalties for embezzlement, bribery, misappropriation of property, misappropriation of funds or disruption of the socialist market economic order, or has been deprived of political rights for committing a crime, with the execution period having not expired for more than five (5) years, or has been granted probation, with the involved period having not expired for more than two (2) years from the expiration of the probation period;

(3) Has served as a director, factory director or general manager of a company or enterprise undergoing bankruptcy and liquidation, and is personally responsible for the bankruptcy of such company or enterprise, with the involved period having not expired for more than three (3) years from the completion of such bankruptcy and liquidation;

(4) Has served as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close due to violations of law, and is personally responsible for it, with the involved period having not expired for more than three (3) years from the date of revocation of the business license or the order to close of such company or enterprise.

(5) Has a relatively large amount of personal debts that are due but unpaid and has been listed as a dishonest person subject to enforcement by a people's court;

(6) Has been subject to securities market entry prohibition measures imposed by the China Securities Regulatory Commission, the stock exchange where the Company's shares are listed or other regulatory authorities, with the involved period having not expired;

(7) Has been publicly identified by the stock exchange as unsuitable to serve as a director or senior management of a listed company, with the involved period having not expired; and

(8) Has been under other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed.

If the election, appointment or engagement of a director violates this article, such election, appointment or engagement shall be deemed invalid. Where any of the above circumstances occur during a director's term of office, the Company shall remove the director from his/her position and suspend his/her performance of duties.

Power to Dispose of Assets of the Company or Any of Its Subsidiaries

For significant investment projects, relevant experts and professionals shall be organized for review, and such projects shall be reported to the shareholders' meeting for approval. Without violating laws, regulations and other provisions of the Articles of Association, the Board of Directors' approval authority for transactions shall be exercised in accordance with the regulations of the Hong Kong Stock Exchange. Matters not required by the Hong Kong Stock Exchange to be considered by the Board of Directors or the shareholders' meeting shall be reviewed and decided by the general manager of the Company.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Accounting and Auditing

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of relevant national authorities. If the securities regulatory authority of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail.

The Company shall prepare, submit and disclose its financial and accounting reports such as annual reports and interim reports in accordance with the provisions of relevant laws, regulations, the China Securities Regulatory Commission, and the securities regulatory authority of the place where the Company's shares are listed.

The Company shall not keep financial accounts other than those required by law. No funds of the Company shall be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing its after-tax profits, the Company shall allocate ten percent (10%) of its after-tax profits to the statutory reserve fund of the Company. Allocation to the statutory reserve fund of the Company may be waived once the cumulative amount therein exceeds fifty percent (50%) of the registered capital of the Company.

Where the statutory reserve fund of the Company is insufficient to cover the losses of the Company from the previous year, the current year profits shall be used to cover such losses before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

Subject to a resolution of the shareholders' meeting, after the allocation has been made to the statutory reserve fund of the Company from its after-tax profits, the Company may also allocate funds from the after-tax profits to the discretionary reserve fund.

After the Company has covered its losses and made allocation to the reserve funds, the remainder of the after-tax profits shall be distributed to the shareholders in proportion to their shareholdings.

If the shareholders' meeting decides to distribute profits to shareholders in violation of the Company Law, the shareholders shall return such profits distributed in violation of the provisions to the Company; and if losses are caused to the Company, the shareholders and the directors and senior management who are responsible in this regard shall bear the liability for compensation.

The shares of the Company held by the Company may not apply to profit distribution.

The reserve funds of the Company may be used to cover the losses of the Company, expand its production and operation, or be converted to registered capital of the Company.

When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; but if they are still insufficient to cover the losses, the capital reserve fund may be used as regulated.

When the statutory reserve fund is converted into an increase in registered capital, the amount of such reserve fund as retained shall not be less than twenty-five percent (25%) of the Company's registered capital before the increase.

The shareholders' meeting shall vote on the profit distribution plan in accordance with laws and regulations. After the shareholders' meeting of the Company makes a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting is held.

Merger, Division, Dissolution and Liquidation of the Company

The merger of the Company may take the form of either merger by absorption or merger by consolidation.

A merger by absorption refers to one company absorbing another companies, and the absorbed companies shall be dissolved. The merger of two or more companies through the establishment of a new company is deemed a consolidation, and the companies being consolidated shall be dissolved.

If the payment made by the Company for a merger does not exceed ten percent (10%) of the Company's net assets, it may be carried out without a resolution by the shareholders' meeting, unless otherwise stipulated in the Articles of Association.

Where the Company merges without a resolution by the shareholders' meeting in accordance with the preceding paragraph, it shall be subject to a resolution by the Board of Directors.

If relevant laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of properties. The Company shall notify its creditors within ten (10) days from the date of making a merger resolution, and make a public announcement within thirty (30) days in the designated newspaper or on the National Enterprise Credit Information Publicity System. Creditors may, within thirty (30) days from the date of receiving such a notice or within forty-five (45) days from the date of public announcement if no notice is received, require the Company to pay off its debts or provide corresponding guarantees.

When the Company is merged, the claims and debts of the parties to the merger shall be taken over by the surviving company after merger or the newly established company.

When the Company is divided, its properties shall be split up accordingly.

When the Company is divided, its balance sheet and list of properties shall be prepared. The Company shall notify its creditors within ten (10) days from the date of making a division resolution, and make a public announcement within thirty (30) days in the designated newspaper or on the National Enterprise Credit Information Publicity System.

The Company may be dissolved under any of the following circumstances:

(1) The business term specified in the Articles of Association expires or other dissolution reasons specified in the Articles of Association occur;

(2) The shareholders' meeting resolves to dissolve the Company;

(3) Dissolution is required due to the Company's merger or division;

(4) The Company's business license is revoked, it is ordered to close, or it is dissolved according to law; and

(5) The Company encounters serious difficulties in its operation and management, and its continued existence would cause significant losses to the shareholders' interests, and such difficulties cannot be resolved through other means, in which case, shareholders holding more than ten percent (10%) of the voting rights may request the people's court to dissolve the Company.

In the event of any of the dissolution causes specified in the preceding paragraph, the Company shall publicly announce the cause of dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.

Where the Company is dissolved due to the causes specified in Items (1), (2), (4) and (5) above, it shall undergo liquidation. The directors are the liquidation obligors of the Company and shall form a liquidation group to carry out liquidation within fifteen (15) days upon occurrence of a dissolution cause. The liquidation group shall be composed of directors, unless otherwise stipulated in the Articles of Association or another person is selected according to a resolution of the shareholders' meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, thus causing losses to the Company or creditors, they shall be liable for compensation.

The liquidation group shall notify the creditors within ten (10) days from the date of its establishment, and make a public announcement within sixty (60) days in the designated newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation group within thirty (30) days from the date of receiving such a notice or within forty-five (45) days from the date of public announcement if no notice is received. When declaring their claims, creditors shall explain relevant matters concerning the claims and provide supporting materials. The liquidation group shall register such claims. During the claim declaration period, the liquidation group shall not make repayments to the creditors.

After going through the Company's properties and preparing a balance sheet and a list of properties, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation. After the Company's properties have been used to pay liquidation expenses, employee salaries, social insurance expenses and statutory compensation, pay outstanding taxes, and repay the Company's debts, the remaining properties shall be distributed to the shareholders in proportion to their shareholdings.

During the liquidation, the Company remains in existence; however, it shall not commence any business activity irrelevant with the liquidation. The Company's properties shall not be distributed to the shareholders prior to repaying debts in accordance with the foregoing provision.

After sorting out the Company's properties and preparing a balance sheet and a list of properties, if the liquidation group finds that the Company's properties are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation according to law. After the people's court accepts the bankruptcy application, the liquidation group shall hand over the liquidation affairs to the bankruptcy administrator as appointed by the court.

Upon liquidation completion, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and also submit it to the company registration authority to apply for deregistration of the Company.

OTHER PROVISIONS THAT ARE IMPORTANT TO THE COMPANY AND ITS SHAREHOLDERS

General Provisions

The Company is a company limited by shares that has perpetual existence.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders, and are binding on the Company and its shareholders, directors and senior management. In accordance with the Articles of Association, shareholders may sue other shareholders, and shareholders may sue directors and senior management of the Company; as well as shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management.

Board of Directors

The Company shall establish a Board of Directors, which shall be accountable to the shareholders' meeting. The Board of Directors shall exercise the following functions and powers:

(1) Convening any shareholders' meeting and reporting its work to the shareholders' meeting;

(2) Implementing resolutions adopted by the shareholders' meeting;

(3) Determining business plans and investment proposals of the Company;

(4) Formulating profit distribution plans and loss recovery plans of the Company;

(5) Formulating proposals of the Company regarding increase or decrease in the registered capital, issuance of bonds or other securities, and listing;

(6) Drafting plans for the Company's merger, division, dissolution and alteration of corporate form, and making resolutions on the Company's repurchase of its own shares under the circumstances specified in Items (3), (5) and (6) of Article 26 of the Articles of Association;

(7) Deciding on the establishment of internal management organizations of the Company;

(8) Deciding on the appointment or dismissal of the Company's general manager, board secretary and other senior management, and on their remuneration; and according to the nomination of the general manager, deciding on the appointment or dismissal of senior management such as financial controller, and on their remuneration;

(9) Formulating basic management systems of the Company;

(10) Drafting amendments to the Articles of Association;

(11) Managing the disclosure of information of the Company;

(12) Proposing to the shareholders' meeting to appoint or replace the accounting firm that audits the Company;

(13) Hearing reports from the Company's general manager and inspect the performance of the general manager; and

(14) Having other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

For the matters over which the Board of Directors exercises its powers as specified above or any transactions or arrangements entered into by the Company, if they are required to be deliberated by the shareholders' meeting in accordance with the provisions of securities regulatory rules of the place where the Company's shares are listed, they shall be submitted to the shareholders' meeting for deliberation.

A meeting of the Board of Directors may be held only if more than half of the directors are present. Resolutions made by the Board of Directors must be adopted by more than half of all directors, unless otherwise stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Each director shall have one vote in respect of any resolutions made by the Board of Directors.

If a director or any of their close associates has a significant interest or connected relationship with an enterprise or individual involved in a matter to be resolved at a board meeting, the director shall promptly report this to the Board of Directors in writing. A director with a significant interest or connected relationship in this regard shall not exercise voting rights on such a resolution or act as a proxy for any other director to exercise voting rights. The meeting of the Board of Directors may be held once more than half of the non-connected directors will be present; and the resolution made in such a meeting shall be adopted by more than half of all such directors. If the number of non-connected directors attending such a meeting is less than three (3), the involved matter shall be submitted to the shareholders' meeting for deliberation. Where there are other provisions in the Hong Kong Listing Rules, those provisions shall prevail.

Special Committees under the Board of Directors

The Board of Directors of the Company shall establish an Audit Committee to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law. The Audit Committee shall consist of no fewer than three (3) members, with independent non-executive directors accounting for a majority and serving as the chairperson. The specific composition, qualification requirements, etc. shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, etc.

The Board of Directors of the Company shall establish other special committees such as for strategy, nomination, and remuneration and assessment. The specific composition, qualification requirements, etc. shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, etc. These special committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for deliberation and decision. The working rules of other special committees shall be formulated by the Board of Directors.

Independent Non-Executive Directors

The Company shall have independent non-executive directors. Matters about the qualifications, nomination and election procedures, term of office, resignation and powers of these independent non-executive directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed. Unless otherwise specified, the provisions in the Articles of Association regarding the qualifications and obligations of directors shall apply to independent non-executive directors.

The number of independent non-executive directors shall not be less than three (3) and shall not be less than one-third (1/3) of the total number of directors, and at least one of them shall have appropriate professional qualifications as specified by the Hong Kong Listing Rules or possess appropriate accounting or related financial management expertise. One (1) independent non-executive director shall be ordinarily resident in Hong Kong. All independent non-executive directors must possess the independence required by the Hong Kong Listing Rules.

General Manager

The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors. The general manager shall be responsible to the Board of Directors and exercise the following functions and powers:

(1) Being in charge of the production, operation and management of the Company, and organizing the implementation of the resolutions of and reporting to the Board of Directors;

(2) Organizing the implementation of annual business plans and investment proposals of the Company;

(3) Drafting plans for the establishment of internal management organizations of the Company;

(4) Drafting basic management systems of the Company;

(5) Formulating specific rules and regulations for the Company;

(6) Proposing to the Board of Directors to appoint or dismiss financial controller of the Company;

(7) Deciding on the appointment or dismissal of managerial personnel other than those that should be appointed or dismissed by the Board of Directors;

(8) Conducting major external business activities on behalf of the Company;

(9) Deciding on the recruitment, rewards, punishments and dismissal of company personnel;

(10) Establishing and abolishing branches and offices with the approval of the competent authorities when necessary;

(11) Deciding on major matters concerning the Company's daily operations, including but not limited to setting prices;

(12) Purchasing and leasing the assets required by the Company;

(13) Attending board meetings as non-voting participants; and

(14) Having other functions and powers granted by the Articles of Association or the Board of Directors.

Board Secretary

The Company shall have one (1) board secretary, who shall be responsible for preparing for the Company's shareholders' meetings and board meetings, preserving documents, managing shareholder information, handling information disclosure (if applicable), etc. The board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Amendment to Articles of Association

Under any of the following circumstances, the Company may amend its Articles of Association:

(1) After the Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the matters specified in the Articles of Association conflict with the provisions of the amended laws or administrative regulations;

(2) The changes in the Company's specific circumstances render them inconsistent with the matters recorded in the Articles of Association;

(3) The shareholders' meeting decides to amend the Articles of Association.

Amendments to the Articles of Association as adopted in a resolution of the shareholders' meeting which are subject to approvals from the relevant competent authority shall be submitted to the original competent approval authority for approval; and where there is any change relating to the registered particulars of the Company, the Company shall go through the formalities for change of registration according to law.