Laifual Drive Co., Ltd.

Articles of Association

September 2026

CONTENTS

CHAPTER I GENERAL PROVISIONS 1

CHAPTER II OPERATIONAL OBJECTIVES AND SCOPE OF BUSINESS 2

CHAPTER III SHARES 3

Section 1 Issuance of Shares 3

Section 2 Increase, Reduction and Repurchase of Shares 4

Section 3 Share Transfer 6

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' MEETING 8

Section 1 Shareholders 8

Section 2 Controlling Shareholders and Actual Controllers 14

Section 3 General Provisions for Shareholders' Meetings 15

Section 4 Convening of Shareholders' Meeting 18

Section 5 Proposal and Notice of Shareholders' Meeting 19

Section 6 Holding of Shareholders' Meeting 21

Section 7 Voting and Resolutions of Shareholders' Meeting 25

CHAPTER V BOARD OF DIRECTORS 30

Section 1 Directors 30

Section 2 Board of Directors 34

CHAPTER VI INDEPENDENT NON-EXECUTIVE DIRECTORS 38

CHAPTER VII AUDIT COMMITTEE 41

CHAPTER VIII SENIOR MANAGEMENT 42

CHAPTER IX FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING 44

Section 1 Financial and Accounting System 44

Section 2 Internal Audit 46

Section 3 Appointment of Accounting Firm 47

CHAPTER X NOTICE AND ANNOUNCEMENT 47

Section 1 Notice 47

Section 2 Announcement 49

CHAPTER XI MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION 49

Section 1 Merger, Division, Increase and Reduction of Capital 49

Section 2 Dissolution and Liquidation 51

CHAPTER XII AMENDMENTS TO THE ARTICLES OF ASSOCIATION 53

CHAPTER XIII SUPPLEMENTARY PROVISIONS 54

ARTICLES OF ASSOCIATION OF LAIFUAL DRIVE CO., LTD.

CHAPTER I GENERAL PROVISIONS

Article 1 In order to safeguard the legitimate rights and interests of Laifual Drive Co., Ltd. (the "**Company**"), its shareholders and creditors, to regulate the organization and acts of the Company, the articles of association (the "**Articles of Association**") are formulated in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China (the "**Securities Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**") and other relevant provisions, and taking into account the actual situation of the Company.

Article 2 The Company is a joint stock limited company incorporated in accordance with the Company Law and other relevant regulations. The Company was established by way of promotion and registered with the Shaoxing Municipal Administration for Market Regulation of Zhejiang Province. The Company has obtained a business licence with the Unified Social Credit Code of 91330600084278367E.

Article 3 The Company made an initial offering of 15,458,100 overseas listed foreign shares to the public (including 2,016,200 H Shares issued upon the exercise of the over-allotment option) upon completion of the filing procedures with the China Securities Regulatory Commission (the "**CSRC**") on May 19, 2026 and upon approval by The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for listing on the Main Board of the Hong Kong Stock Exchange on June 30, 2026.

Article 4 Registered Name of the Company: 來福諧波傳動股份有限公司. English name: Laifual Drive Co., Ltd.

Article 5 Domicile of the Company: Industrial Park, Ganlin Town, Shengzhou City, Zhejiang Province, the PRC. Postal Code: 312462

Article 6 The registered capital of the Company is RMB105,414,987.

Article 7 The Company is a joint stock limited company with perpetual existence.

Article 8 The chairman or general manager shall be the legal representative of the Company, who shall be elected or replaced by the Board of Directors with the approval of more than half of all the directors. If the chairman or general manager who serves as the legal representative resigns, it shall be deemed as resigning as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation.

The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company.

If the legal representative causes damage to others while performing his or her duties, the Company shall bear civil liability. After assuming civil liability, the Company may recover compensation from the legal representative who is at fault in accordance with the law or the Articles of Association.

Article 9 The assets of the Company are divided into shares with equal par value. The liability of each shareholder to the Company is limited to the shares held by such shareholder. The Company shall be liable for its debts to the extent of its assets.

Article 10 From the effective date hereof, the Articles of Association shall become a legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders and shall be legally binding on the Company, its shareholders, directors and senior management members. A shareholder may bring an action against another shareholder or any director, general manager and any other senior management member of the Company, or the Company, and the Company may bring an action against any of its shareholder(s), director(s), general manager or other senior management members, in each case, in accordance with the Articles of Association.

Article 11 For the purpose of the Articles of Association, senior management members of the Company include general managers, deputy general managers, secretary to the Board of Directors, chief financial officer and other senior management members appointed by the Board of Directors.

Article 12 The Company shall, in accordance with the provisions of the Constitution of the Communist Party of China, establish the party organizations and carry out party-related activities. The Company shall provide the necessary conditions for the activities of the party organizations.

CHAPTER II OPERATIONAL OBJECTIVES AND SCOPE OF BUSINESS

Article 13 Business Objective of the Company: We are committed to the research, development and manufacture of precision harmonic drive reducers and to providing customers in the automation equipment industry with high-precision, highly reliable and cost-effective core transmission components. Furthermore, we help free equipment operators from repetitive adjustments, physically demanding tasks and challenging working conditions, enabling industrial workforces to focus on creative activities such as solution optimisation and product development. Through precision transmission technologies, we empower intelligent manufacturing and drive the advancement of industrial productivity.

Article 14 The Company's scope of business in accordance with the registration under the laws includes: general items: manufacture of bearings, gears and transmission components; sale of bearings, gears and transmission components; manufacture of industrial robots; provision of technical services, technology development, technical consultation, technical exchange, technology transfer and technology promotion (except for projects that are subject to approval in accordance with law, business activities may be carried out independently in accordance with law on the basis of the business licence).

The business scope of the Company shall be subject to the regulations and registration made by the company registration authority in accordance with the preceding paragraph.

CHAPTER III SHARES

Section 1 Issuance of Shares

Article 15 The shares of the Company shall take the form of share certificates.

Article 16 The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

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

Share certificates of the Company shall be in registered form. In addition to the particulars required under the Company Law, share certificates of the Company shall contain such other particulars as may be required by the stock exchange on which the Company's shares are listed.

The overseas-listed shares issued by the Company may, in accordance with the laws of the place where the Company's shares are listed and the practices of securities registration and depositary institutions, be represented by overseas depositary receipts or other derivative forms of shares. Where the share capital of the Company includes non-voting shares, the name of such shares shall contain the term "non-voting".

Article 17 The par value of the shares issued by the Company shall be denominated in Renminbi.

Article 18 Of the shares issued by the Company, domestic shares shall be centrally registered and deposited with domestic securities registration and settlement institutions, and matters such as the registration and settlement arrangements for overseas listed shares shall be governed by the regulations of the place where the Company's shares are listed.

Article 19 At the time of the Company's establishment, the promoters, the number of shares subscribed, shareholding percentages, method of contribution, and date of contribution were as follows:

No.	Name of promoter	Number of shares held (10,000 shares)	Shareholding percentage (%)	Contribution method	Time of contribution
1.	Shengzhou Xinhua Bearing Co., Ltd. (嵊州市新華軸承有限公司)	510.00	51.00	Cash	Before November 30, 2013
2.	Yuan Anfu	400.00	40.00	Cash	Before November 30, 2013
3.	Wang Changmao	90.00	9.00	Cash	Before November 30, 2013
Total		**1,000.00**	**100.00**	**–**	**–**

Article 20 The total number of shares of the Company is 103,398,787 shares, and the share structure of the Company is as follows: the total number of issued ordinary shares is 103,398,787 shares, of which 13,441,900 ordinary shares are overseas listed shares, accounting for 13% of the Company's total ordinary shares in issue, and 89,956,887 ordinary shares are domestic shares, accounting for 87% of the Company's total ordinary shares in issue.

Article 21 Shares issued to domestic investors by the Company for subscription in Renminbi are known as domestic shares. Shares issued to overseas investors by the Company for subscription in foreign currency, and shares held by foreign investors that are transferred from domestic shareholders of the Company, are known as foreign shares. Of these foreign shares, those that are listed overseas are known as overseas listed foreign shares, and those that are not listed overseas are known as non-listed foreign shares. Those shares filed with the regulatory authorities authorized by the State Council and approved by the overseas securities regulatory authorities and listed and traded on the overseas stock exchanges are known as overseas listed shares. Unless otherwise required in the Articles of Association, shareholders of domestic shares and foreign shares are holders of ordinary shares sharing the same obligations and rights. After being filed with the CSRC and approved by the Hong Kong Stock Exchange, all or part of the Company's unlisted domestic shares may be converted into overseas listed shares, and the overseas listed shares so converted may be listed and traded on an overseas stock exchange. After the Company issues and lists its shares overseas and permission under relevant laws, administrative regulations and departmental rules has been obtained, shareholders holding unlisted domestic shares of the Company may convert their unlisted domestic shares into overseas listed shares for listing and trading on an overseas stock exchange. The listing and trading of converted shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of the overseas stock market. The conversion of unlisted domestic shares into overseas listed shares for listing and trading on an overseas stock exchange does not require the convening of a shareholders' meeting for voting.

Article 22 Neither the Company nor any of its subsidiaries (including the Company's affiliated enterprises) shall provide financial assistance in the form of, among others, gifts, advances, guarantees or loans for others to acquire shares of the Company or its parent company, except for the implementation of an employee stock ownership plan.

For the benefit of the Company, the Company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial assistance for others to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by not less than two-thirds of all the directors.

Section 2 Increase, Reduction and Repurchase of Shares

Article 23 In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the shareholders' meeting, by any of the following methods:

(I) issuance of shares to non-specific targets;

(II) issuance of shares to specific targets;

(III) allotment of bonus shares to existing shareholders;

(IV) conversion of reserve funds to share capital;

(V) other methods permitted by relevant laws and regulations and regulatory requirements of relevant regulatory authorities.

Unless otherwise required by regulatory rules of the place where the Company's shares are listed, the shareholders' meeting may authorize the Board of Directors to determine, within a period of three years, the issuance of shares not exceeding 50% of the issued shares. However, if non-monetary assets are used as capital contributions, a resolution passed at the shareholders' meeting is required.

If the Board of Directors decides to issue shares in accordance with the preceding paragraph, resulting in changes to the registered capital and issued shares of the Company, the amendments to such matters recorded in the Articles of Association do not need to be further voted on by the shareholders' meeting.

If the shareholders' meeting authorizes the Board of Directors to decide on the issuance of new shares, the relevant resolution of the Board of Directors shall be adopted by not less than two-thirds of all the directors.

Article 24 The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

Article 25 The Company shall not acquire its shares, except under the following circumstances:

(I) reduce the registered capital of the Company;

(II) merge with other companies that hold shares in the Company;

(III) use the shares for employee shareholding schemes or as share incentives;

(IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the Company to acquire their shares by the Company;

(V) use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

(VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity;

(VII) other circumstances stipulated by relevant laws and regulations and regulatory requirements of relevant regulatory authorities.

Article 26 The Company may repurchase its own shares through open market centralized trading or other methods recognized by relevant laws and regulations and regulatory requirements of relevant regulatory authorities.

Open market centralized trading is adopted for the repurchase of shares by the Company under any of the circumstances stipulated in item (III), item (V) or item (VI) in the first paragraph of Article 25 of the Articles of Association.

Article 27 A resolution of a shareholders' meeting is required for the repurchase of shares by the Company under either of the circumstances stipulated in item (I) or item (II) of Article 25 of the Articles of Association; for the Company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) of Article 25 of the Articles of Association, a resolution of a meeting of the Board of Directors shall be made by not less than two-thirds of directors attending the meeting.

The shares acquired by the Company under the circumstance stipulated in item (I) of Article 25 of the Articles of Association shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within 6 months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV) of Article 25 of the Articles of Association; and the shares of the Company held in total by the Company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) of Article 25 of the Articles of Association shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years. If laws, regulations and the securities regulatory authority of the place where the Company's shares are listed provide otherwise regarding matters related to share repurchases, such provisions shall prevail.

Where the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law, the Securities and Futures Ordinance, and the securities regulatory rules of the place where the Company's shares are listed.

Section 3 Share Transfer

Article 28 The shares of the Company may be transferred in accordance with law. Any transfer of H Shares listed in Hong Kong shall be registered with the share registrar in Hong Kong appointed by the Company.

Article 29 All overseas-listed foreign shares listed in Hong Kong that are fully paid up shall be freely transferable in accordance with these Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without giving any reason therefor unless the following conditions are satisfied:

(I) the instrument of transfer and any other documents related to the ownership of any shares or likely to affect the ownership of any shares shall be registered, and payment shall be made to the Company for such registration according to the standard fees stipulated by the Hong Kong Listing Rules and such fee shall not exceed the highest amount stipulated by the Hong Kong Listing Rules from time to time;

(II) the instrument of transfer only involves the H Shares listed in Hong Kong;

(III) the stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;

(IV) the relevant share certificate and evidence reasonably required by the Board of Directors showing that the transferor has the right to transfer such shares shall be provided;

(V) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four;

(VI) the relevant shares are free from all liens of the Company; and

(VII) No shares may be transferred to a minor or a person who is of unsound mind or otherwise lacks legal capacity.

If the Company refuses to register any transfer of shares, it shall provide the transferor and the transferee of the shares with a notification of refusal in relation to registration of shares within 2 months from the date of the formal application of such transfer. All instruments of transfer shall be deposited at the legal address of the Company or at such address as may be designated by the Board of Directors from time to time.

Article 30 All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or any other form acceptable to the Board of Directors (including the standard transfer form or transfer form as prescribed by the Hong Kong Stock Exchange from time to time); such instrument of transfer may only be executed by hand or, if the transferor or transferee is a corporation, by affixing the corporation's valid common seal. If the transferor or transferee is a recognized clearing house or its nominee as defined under the relevant ordinances of Hong Kong laws in effect from time to time, the instrument of transfer may be executed by hand or mechanical signature. All instruments of transfer shall be deposited at the legal address of the Company or at such address as may be designated by the Board of Directors from time to time.

Article 31 The Company shall not accept any of its own shares as the subject of a pledge right.

Article 32 Shares of the Company issued prior to the public offering of shares shall not be transferred within 1 year from the date on which the Company's shares are listed and traded on the stock exchange. Directors and senior management of the Company shall declare to the Company the shares they hold and the changes thereof, the shares transferred each year during the term of office as determined when they assume the posts shall not exceed 25% of the total shares they hold of the Company. They shall not transfer the shares they hold within 1 year from the date on which the Company's shares are listed and traded, nor within 6 months after they leave their positions in the Company. If the restriction on the transfer of shares provided herein relates to H Share, the relevant provisions of the Hong Kong Listing Rules shall also be complied with.

Article 33 Any shareholder holding more than 5% of the shares of the Company, any director or any member of the senior management who sells any shares of the Company or other securities of an equity nature held by him or her within six months after purchase, or purchases any such shares or securities within six months after sale, shall surrender any gains derived therefrom to the Company, and the Board of Directors of the Company will recover the said gains. If the restriction on the transfer of shares provided herein relates to H Share, the relevant provisions of the Hong Kong Listing Rules shall also be complied with. However, the foregoing restrictions shall not apply to securities companies holding more than 5% of the shares of the Company as a result of purchasing the remaining shares after an underwriting, or to such other circumstances as may be prescribed by the relevant securities regulatory authorities and stock exchanges.

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Section 1 Shareholders

Article 34 The Company establishes a register of members based on the vouchers provided by the securities registration institution, which is sufficient evidence to prove that shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the types of shares they hold. Shareholders holding the same type of shares shall have equal rights and assume the same obligations.

The Company may, in accordance with the understandings and agreements reached between the securities regulatory authority under the State Council and overseas securities regulatory authorities, keep the register of members of holders of overseas listed foreign shares outside the PRC and appoint an overseas agent to manage such register. Among the register of members of overseas listed foreign shares, the original register of members of holders of shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong. The register of members of overseas listed foreign shares kept in Hong Kong is available for inspection by shareholders.

The Company shall enter into a share depositary agreement with the securities registration institution and examine the information of substantial shareholders and the changes in their shareholding (including the pledges of the shares) on a regular basis to keep abreast of its shareholding structure.

Article 35 The Company shall maintain a complete register of members. The register of members shall comprise the following parts: (I) the register of members maintained at the Company's domicile, other than those registers of members referred to in paragraphs (II) and (III) of this Article; (II) the register of members of holders of the Company's H Shares maintained at the place where the overseas stock exchange on which the shares are listed is located; and (III) the register of members maintained at such other place(s) as the Board of Directors may determine for the purpose of the listing of the Company's shares. The various parts of the register of members shall not overlap with one another. No transfer of shares registered in any part of the register of members shall, during the continuance of such registration, be registered in any other part of the register of members. Any alteration or rectification of any part of the register of members shall be effected in accordance with the laws of the place where such part of the register of members is maintained.

The register of members shall contain the following particulars, or register members in accordance with the requirements of laws, administrative regulations, departmental rules and the Hong Kong Listing Rules:

(I) the name (designation), address (domicile), occupation or nature of each shareholder;

(II) the class and number of shares held by each shareholder;

(III) the amount paid or payable in respect of the shares held by each shareholder;

(IV) the serial numbers of the shares held by each shareholder;

(V) the date on which each shareholder is registered as a shareholder;

(VI) the date on which each shareholder ceases to be a shareholder.

Subject to compliance with the Articles of Association and other applicable provisions, upon the transfer of any share of the Company, the name (designation) of the transferee shall be entered in the register of members as the holder of such share.

Article 36 Any shareholder who is registered in the register of members or any person who requests his/her name to be entered into the register of members may, if he/she has lost his/her share certificate (hereinafter referred to as the "**Original Share Certificate**"), apply to the Company for a new certificate in respect of the shares (hereinafter referred to as the "**Relevant Shares**") represented by the Original Share Certificate. Applications for the replacement of share certificates from holders of Domestic Shares that have lost their share certificates shall be dealt with in accordance with the relevant provisions of the Company Law. Applications for the replacement of lost share certificates by holders of H Shares may be handled pursuant to the laws, rules of the stock exchange or other relevant regulations of the place where the original register of members of H Shares is maintained.

For shareholders of H Shares listed in Hong Kong applying for the replacement of lost share certificates, the following requirements shall be fulfilled:

(I) the applicant shall submit an application in a standard form designated by the Company, with a notarial certificate or statutory declaration attached. The notarial certificate or statutory declaration shall state the reasons for the application, the circumstances and evidence of the loss of the share certificates, and a declaration that no other person is entitled to be registered as the shareholder of the Relevant Shares;

(II) the Company has not received any declaration from any person other than the applicant requesting to be registered as the shareholder of the said shares prior to its decision to issue replacement share certificates;

(III) where the Company decides to issue replacement share certificates to the applicant, it shall publish an announcement regarding its intent to issue replacement share certificates in newspapers designated by the Board of Directors that meet relevant regulatory requirements; the announcement period shall be 90 days, with republication at least once every 30 days;

(IV) before publishing the announcement regarding its intent to issue replacement share certificates, the Company shall submit a copy of the proposed announcement to the stock exchange where it is listed; upon receiving confirmation from the stock exchange that the announcement has been displayed at the stock exchange, the Company may proceed with publication. The announcement shall be displayed at the stock exchange for a period of 90 days. If the application for the replacement share certificates has been made without the consent of the registered shareholder of the Relevant Shares, the Company shall mail a copy of the proposed announcement to that shareholder;

(V) if the Company has not received any objection from any person in respect of the issue of replacement share certificates upon the expiration of the 90-day period for the posting of the announcement as required in paragraphs (III) and (IV) of this Article, the Company may issue replacement share certificates according to the application of the applicant;

(VI) the Company is required to cancel the Original Share Certificates immediately once the replacement share certificates are issued, and enter the cancellation and the issue into the register of members as required by this Article;

The applicant shall bear all the costs incurred by the Company relating to and in connection with the cancellation of the Original Share Certificates and the issue of replacement share certificates. The Company has the right to refuse to take any action until reasonable guarantees are provided by the applicant.

Article 37 When the Company convenes a shareholders' meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of shareholder's identity, the Board of Directors or the convener of the shareholders' meeting shall determine the share registration date. After the close of the market on the share registration date, the registered shareholders shall be the shareholders who enjoy the relevant rights and interests. If the relevant laws and regulations and the Hong Kong Listing Rules stipulate the duration of closure of the register of members prior to the holding of a shareholders' meeting or the reference date set by the Company for the purpose of distribution of dividends, those provisions shall prevail. The duration of the above-mentioned arrangement of closure of the register of members shall not exceed 30 days in total within one year, but may be further extended for a maximum of 30 days after consideration and approval by a shareholders' meeting. Upon receipt of an application for inspection of the register of members during the duration of closure of the register of members, the Company shall issue to the applicant a certificate signed by the company secretary specifying the approval authority and the duration of closure of the register of members. Shareholders of the Company shall enjoy the following rights:

(I) the right to dividends and other distributions in proportion to the number of shares held;

(II) the right to apply for, convene, preside, attend or appoint proxies to attend shareholders' meeting and to exercise the corresponding right to vote;

(III) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;

(IV) the right to transfer, give as a gift or pledge the shares they hold in accordance with relevant laws and regulations and the Articles of Association;

(V) the right to inspect and copy the Articles of Association, register of members, minutes of shareholders' meeting, resolutions of meeting of the Board of Directors and financial and accounting reports of the Company, eligible shareholders shall enjoy the right to inspect the accounting books and documents of the Company;

(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(VII) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request the Company to purchase shares held;

(VIII) the right to obtain relevant information in accordance with the provisions of the Articles of Association;

(IX) other rights provided for by relevant laws and regulations, regulatory requirements of relevant regulatory authorities or the Articles of Association.

Article 38 Where any shareholder demands to inspect and copy the relevant information of the Company, he/she/it shall submit to the Company written documents proving the class(es) and number of shares he/she/it holds. The Company shall provide the relevant information in accordance with the shareholder's demand after verifying the shareholder's identity.

Article 39 A shareholder shall be entitled to obtain the following information:

1. a copy of the Articles of Association upon payment of the cost therefor;

2. the right to inspect free of charge and, upon payment of a reasonable fee, the right to obtain copies of:

   (1) the complete register of members;

   (2) personal particulars of the directors, supervisors, general manager and other senior management of the Company, including: 1) present and former names and aliases; 2) principal address(es) (domicile); 3) nationality; 4) full-time and all other part-time occupations and positions; and 5) identification documents and the numbers thereof.

3. a report on the issued share capital of the Company;

4. a report showing the aggregate par value, quantity, highest and lowest prices paid by the Company in respect of each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount paid by the Company for such repurchases;

5. special resolutions of the shareholders' meetings of the Company;

6. the latest audited financial statements and the reports of the Board of Directors, auditors and the Board of Supervisors;

7. a copy of the latest annual report filed with the Administration for Market Regulation of the PRC or other competent authorities;

8. counterfoils of corporate bonds, resolutions of meetings of the Board of Directors and resolutions of meetings of the Board of Supervisors; and

9. minutes of shareholders' meetings.

The Company shall publish the documents referred to in items 3 to 7 above and other applicable documents on the website of the Hong Kong Stock Exchange and the Company's website in accordance with the requirements of the Hong Kong Listing Rules. The Company shall keep the documents referred to in items 1 and 9 above at a designated place in Hong Kong for inspection by the public and shareholders free of charge (provided that the minutes of shareholders' meetings shall only be available for inspection by shareholders and for copying upon payment of a reasonable fee).

The Hong Kong branch register of members shall be open for inspection by shareholders, but the Company may suspend registration of transfers in accordance with terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), namely that, upon giving notice, the Company may close the register of members or any part thereof relating to shareholders holding shares of any class for such period or periods as it may determine, provided that the aggregate period of closure in any year shall not exceed 30 days.

Subject to applicable laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the Company may refuse to provide any information for inspection or copying if the contents thereof involve the Company's trade secrets, inside information or the personal privacy of relevant persons.

Article 40 Any shareholder requesting to inspect the information referred to in Article 39 of the Articles of Association or to make copies of relevant documents of the Company shall comply with the provisions of the Company Law, the Securities Law and the securities regulatory rules of the place where the Company's shares are listed, as well as other applicable laws and regulations.

Article 41 If the resolutions of a shareholders' meeting or a meeting of the Board of Directors of the Company violate relevant laws and regulations, the shareholders shall have the right to request the people's court to invalidate the resolutions.

The shareholders shall be entitled to petition the people's court to revoke any resolution of a shareholders' meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of relevant laws and regulations or the Articles of Association, or any resolution the contents of which are in violation of the Articles of Association, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution, unless there are only minor defects in the convening procedure or voting method of the shareholders' meeting or the meeting of the Board of Directors and without material impact on the resolution.

Where the Board of Directors, shareholders or other related parties have disputes regarding the validity of the resolutions of the shareholders' meeting, they shall promptly file a lawsuit to the people's court. Before the people's court renders a judgment or ruling revoking such resolution, the related parties shall execute the resolutions of the shareholders' meeting. The Company, directors and senior management shall perform their duties in good faith, and ensure the normal operation of the Company.

Where the people's courts render judgments or rulings on the relevant matters, the Company shall fulfil its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchanges, fully explain the impact thereof, and actively cooperate with the enforcement thereof after such judgment or ruling takes effect. Where any prior matter requires rectification, the Company shall promptly address such matter and fulfil the corresponding information disclosure obligations.

Resolutions of a shareholders' meeting or a meeting of the Board of Directors of the Company shall be invalid in any of the following circumstances:

(I) the resolution was made without holding a shareholders' meeting or a meeting of the Board of Directors;

(II) the resolution was not voted on at the shareholders' meeting or the meeting of the Board of Directors;

(III) the number of attendees of the meeting or their voting rights did not meet the quorum or the number of voting rights as required by relevant laws and regulations and the Articles of Association;

(IV) the number of attendees voting in favor of the resolution or their voting rights did not meet the quorum or the number of voting rights as required by relevant laws and regulations and the Articles of Association.

Article 42 Where any director other than a member of the Audit Committee or senior management violates relevant laws and regulations or the Articles of Association during the performance of duties with the Company and causes any loss to the Company, shareholders individually or collectively holding 1% or more of the shares in the Company for 180 consecutive days or more may request in writing the Audit Committee of the Board of Directors to file a lawsuit with the people's court. If the Audit Committee of the Board of Directors violates relevant laws and regulations or the provisions of the Articles of Association during the performance of its duties with the Company and causes any loss to the Company, the aforesaid shareholders may request in writing the Board of Directors to file a lawsuit with the people's court.

If the Audit Committee of the Board of Directors or the Board of Directors refuses to file a lawsuit after receiving a written request from the shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to the Company's interests, the shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name with the people's court for the benefit of the Company.

If a third party infringes on the legitimate rights and interests of the Company and causes losses to the Company, shareholders as specified in the first paragraph of this Article may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If a director, the Audit Committee of the Board of Directors or senior management of a wholly-owned subsidiary of the Company is in any of the circumstances specified in the first paragraph of this Article, or if the legitimate rights and interests of a wholly-owned subsidiary of the Company are impaired by any other person, thus causing any losses, the shareholders individually or collectively holding 1% or more of the total shares of the Company for 180 consecutive days or more may, in accordance with the provisions of the preceding three paragraphs, request the Audit Committee of the Board of Directors or the Board of Directors of the wholly-owned subsidiary in writing to file a lawsuit with the people's court or file a lawsuit directly with the people's court in their own name.

Article 43 Where any director or senior management violates the provisions of relevant laws and regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

Article 44 Shareholders of the Company shall have the following obligations:

(I) to abide by relevant laws and regulations and the Articles of Association;

(II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;

(III) not to withdraw their share capital unless prescribed otherwise in laws and regulations;

(IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to harm the interests of the Company's creditors;

(V) to assume other obligations required by relevant laws and regulations, regulatory requirements of relevant regulatory authorities and the Articles of Association.

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

Article 45 Where a shareholder holding 5% or more of the voting shares of the Company pledges the shares held in his/her/its possession, he/she/it shall submit a written report to the Company on the day on which the pledge actually occurs.

Section 2 Controlling Shareholders and Actual Controllers

Article 46 The controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with applicable laws and administrative regulations, the regulations of the CSRC and the stock exchanges, and shall safeguard the interests of the listed company.

Article 47 The controlling shareholder(s) and actual controller(s) of the Company shall comply with the following provisions:

(I) exercise shareholder rights in accordance with law, and shall not abuse control rights or use connected relationships to prejudice the lawful rights and interests of the Company or other shareholders;

(II) strictly perform publicly made statements and undertakings, and shall not alter or waive them without authorization;

(III) strictly perform information disclosure obligations in accordance with relevant regulations, actively and proactively cooperate with the Company in its information disclosure work, and promptly notify the Company of material events that have occurred or are intended to occur;

(IV) shall not misappropriate Company funds in any manner;

(V) shall not compel, instruct or require the Company or its relevant personnel to provide guarantees in violation of laws and regulations;

(VI) shall not use undisclosed material information of the Company to seek benefits; shall not disclose any undisclosed material information relating to the Company by any means; and shall not engage in insider trading, short-swing trading, market manipulation or other illegal or non-compliant conduct;

(VII) shall not, through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means, prejudice the lawful rights and interests of the Company and other shareholders;

(VIII) ensure the integrity of the Company's assets and the independence of its personnel, finance, institutions and business operations, and shall not impair the Company's independence in any manner;

(IX) other provisions under laws, administrative regulations, requirements of the CSRC, the business rules of the stock exchange, and the Articles of Association.

Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but in fact performs the Company's affairs, the provisions of the Articles of Association concerning the duties of loyalty and diligence of directors shall apply.

Where any controlling shareholder or actual controller of the Company instructs any director or senior management to carry out any act damaging the interests of the Company or the shareholders, it shall bear joint and several liabilities with the director or senior management.

Article 48 Where the controlling shareholder or actual controller pledges the shares of the Company held or actually controlled by them, they shall maintain the control of the Company and the stability of its production and operations.

Article 49 Where the controlling shareholder or actual controller transfers the shares of the Company held by them, they shall comply with the restrictive provisions on share transfer under laws, administrative regulations, the requirements of the CSRC and the stock exchanges, as well as the undertakings made by them on the restrictions of share transfers.

Section 3 General Provisions for Shareholders' Meetings

Article 50 The shareholders' meeting of the Company shall be composed of all shareholders. The shareholders' meeting is the organ of authority of the Company, which exercises the following functions and powers in accordance with the law:

(I) to elect or replace the directors and to decide on their remunerations;

(II) to consider and approve the reports of the Board of Directors;

(III) to consider and approve the Company's profit distribution and loss recovery proposals;

(IV) to decide on any increase or reduction of the Company's registered capital;

(V) to decide on the issue of corporate bonds;

(VI) to decide on merger, division, dissolution and liquidation of the Company or change of its corporate form;

(VII) to amend the Articles of Association;

(VIII) to decide on the appointment and dismissal of the accounting firm undertaking the Company's audit services;

(IX) to consider and approve the guarantee matters required to be approved by the shareholders' meeting under relevant laws and regulations and the Articles of Association;

(X) to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(XI) to consider and approve the change in use of proceeds;

(XII) to consider share incentive schemes and employee share ownership schemes;

(XIII) to consider other matters required to be decided by the shareholders' meeting under relevant laws and regulations, the regulatory provisions of relevant regulatory authorities or the Articles of Association.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Except as otherwise provided by relevant laws and regulations and the regulatory provisions of relevant regulatory authorities, the above functions and powers of the shareholders' meeting shall not be exercised by the Board of Directors or other institutions and individuals on its behalf by way of authorization. However, the Board of Directors or directors may be authorized to handle or implement relevant resolutions when relevant resolutions are passed by the shareholders' meeting.

Article 51 The following external guarantees of the Company shall be considered and approved at the shareholders' meeting:

(I) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 50% of the Company's latest audited net assets;

(II) any guarantee provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's latest audited total assets;

(III) any guarantee provided by the Company to others within one year with the guarantee amount exceeding 30% of the Company's latest audited total assets;

(IV) any guarantee provided for a party whose debt-to-assets ratio exceeds 70%;

(V) any guarantee with the amount of a single guarantee exceeding 10% of the latest audited net assets;

(VI) guarantees provided to the shareholders, actual controllers and their connected persons;

(VII) other external guarantee matters which shall be considered by the shareholders' meeting in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Any shareholder referred to in the preceding paragraph or any shareholder controlled by the actual controllers referred to in the preceding paragraph shall not vote on the matters referred to in the preceding paragraph. Such matters shall be approved by more than half of the voting rights held by the other shareholders attending the meeting. If relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed and regulatory provisions of relevant regulatory authorities require a resolution of the shareholders' meeting, such provisions shall prevail.

Article 52 The shareholders' meetings are divided into annual shareholders' meeting and extraordinary shareholders' meeting. The annual shareholders' meeting shall be held once a year and within six months after the end of the previous accounting year.

Article 53 The Company shall convene an extraordinary shareholders' meeting within two months upon the occurrence of any of the following:

(I) the number of directors is less than the number required by the Company Law or less than two-thirds of the number specified in the Articles of Association;

(II) the Company's unrecovered losses reach one-third of its total share capital;

(III) shareholders individually or collectively holding 10% or more of the Company's shares (excluding treasury shares) request such a meeting;

(IV) the Board of Directors deems it necessary;

(V) where the Audit Committee proposes to convene the meeting;

(VI) other circumstances stipulated by relevant laws and regulations and the regulatory provisions of relevant regulatory authorities or the Articles of Association.

Article 54 The shareholders' meeting is generally held at the domicile of the Company, subject to the address specified in the notice of the shareholders' meeting. A meeting venue shall be established for the shareholders' meeting and the meeting shall be held on site. The Company may also provide video conferences, online meetings and other electronic communications or other means recognized or required by relevant laws and regulations and the regulatory provisions of relevant regulatory authorities to facilitate the participation of shareholders in the shareholders' meeting. If online voting is required according to the securities regulatory rules of the place where the Company's shares are listed, the Company shall provide online voting for the convenience of shareholders attending the shareholders' meeting. The shareholders attending the meeting through aforesaid means shall be deemed present at the meeting. Once the notice of the shareholders' meeting is issued, the venue of the on-site meeting of the shareholders' meeting shall not be changed without justifiable reason. If it is necessary to change the venue, the convener shall make an announcement and provide reasons therefor at least 2 business days before the date of the on-site meeting.

Section 4 Convening of Shareholders' Meeting

Article 55 Unless otherwise specified in the Articles of Association, a shareholders' meeting is convened by the Board of Directors. All directors shall be diligent and responsible to ensure that the shareholders' meeting is held normally and exercise their functions and powers according to law.

Subject to the consent of more than half of all independent non-executive directors, the independent non-executive directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. In respect of such a proposal from the independent non-executive directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide a written reply of its consent or dissent to the convening of the extraordinary shareholders' meeting within ten days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice to convene the extraordinary shareholders' meeting within five days after the board resolution is made; if the Board of Directors disagrees to convene the extraordinary shareholders' meeting, it shall set forth the reasons and make an announcement.

Article 56 A proposal by the Audit Committee to the Board of Directors to convene an extraordinary shareholders' meeting shall be made in writing. The Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide a written reply of its consent or dissent to the convening of the extraordinary shareholders' meeting within ten days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice to convene the extraordinary shareholders' meeting within five days after the board resolution is made. Any amendments to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene the extraordinary shareholders' meeting, or fails to provide a reply within ten days upon receipt of the proposal, the Board of Directors shall be deemed to be unable or to have failed to perform its duty to convene the extraordinary shareholders' meeting, in which case the Audit Committee may convene and preside over such meeting on its own.

Article 57 A request by shareholder(s) individually or jointly holding more than 10% of the Company's shares to the Board of Directors to convene an extraordinary shareholders' meeting shall be made in writing. The Board of Directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, provide a written reply of its consent or dissent to the convening of the extraordinary shareholders' meeting within ten days upon receipt of the request.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, it shall issue a notice to convene the extraordinary shareholders' meeting within five days after the board resolution is made. Any amendments to the original request in the notice shall be subject to the consent of the relevant shareholder(s).

If the Board of Directors disagrees to convene the extraordinary shareholders' meeting, or fails to provide a reply within ten days upon receipt of the request, the shareholder(s) individually or jointly holding more than 10% of the Company's shares may submit a written request to the Audit Committee to convene an extraordinary shareholders' meeting.

If the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice to convene the extraordinary shareholders' meeting within five days upon receipt of the request. Any amendments to the original request in the notice shall be subject to the consent of the relevant shareholder(s).

If the Audit Committee fails to issue a notice to convene the extraordinary shareholders' meeting within the prescribed period, the Audit Committee shall be deemed to have failed to convene and preside over such meeting, and shareholder(s) who have individually or jointly held more than 10% of the Company's shares for ninety consecutive days or more may convene and preside over such meeting on their own.

Article 58 Where the Audit Committee or shareholder(s) decide(s) to convene the shareholders' meeting on their own, they shall notify the Board of Directors in writing and filing with the stock exchange.

When issuing the notice of the shareholders' meeting and the resolution announcement, the Audit Committee or shareholders convening the meeting shall submit relevant supporting documents to the stock exchange.

The shareholding percentage of the shareholders convening the meeting shall not be less than 10% before the resolution of the shareholders' meeting is announced.

Article 59 The Board of Directors and the secretary to the Board of Directors should cooperate with the Audit Committee or shareholders to convene shareholders' meetings on their own. The Board of Directors shall provide the register of shareholders on the record date of equity interests.

Article 60 The expenses necessary for the shareholders' meeting convened by the Audit Committee or the shareholders themselves shall be borne by the Company.

Section 5 Proposal and Notice of Shareholders' Meeting

Article 61 The contents of a proposal shall be within the scope of the duties and powers of the shareholders' meeting, have definite themes and specific matters for resolutions, and be in compliance with the relevant requirements of the laws and regulations, regulatory provisions of relevant regulatory authorities and the Articles of Association.

Article 62 The Company holds a shareholders' meeting, and the Board of Directors, Audit Committee, and shareholders who individually or jointly hold more than 1% of the Company's shares have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposals, announce the contents of the temporary proposals, and submit the temporary proposals to the shareholders' meeting for deliberation, unless the temporary proposals are in violation of any laws and regulations, regulatory provisions of relevant regulatory authorities and the Articles of Association, or fall outside the scope of functions of the shareholders' meeting.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting. Proposals that are not listed in the notice of the shareholders' meeting or do not comply with laws and regulations and the Articles of Association shall not be voted on, and a resolution shall not be made by the shareholders' meeting.

Article 63 The convener will notify all shareholders by announcement 21 days before the annual shareholders' meeting is held, and the extraordinary shareholders' meeting will notify all shareholders by announcement 15 days before the meeting is held.

The date of the meeting shall not be included when the Company calculates the starting date, but shall include the date on which the notice is given.

Article 64 The notice of the shareholders' meeting shall include the following contents:

(I) the time, location, and duration of the meeting;

(II) submit matters and proposals for review at the meeting;

(III) clearly state in writing that all shareholders have the right to attend the shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a shareholder of the Company;

(IV) share registration date of the shareholders entitled to attend the shareholders' meeting; The interval between the share registration date and the date of the meeting shall comply with the regulatory rules of the place where the Company's shares are listed. Once the share registration date is confirmed, it may not be changed; if it needs to be changed, the procedures stipulated in the regulatory rules of the place where the Company's shares are listed must be followed.

(V) name and phone number (if any) of the permanent contact person for conference affairs;

(VI) online or other voting time and voting procedure;

(VII) other requirements stipulated by relevant laws and regulations, regulatory provisions of relevant regulatory authorities and the Articles of Association.

Article 65 If the election of any director(s) will be discussed at a shareholders' meeting, the notice of the shareholders' meeting shall specify the particulars of each director candidate, which shall at least include:

(I) his/her personal particulars such as educational background, work experience and concurrent positions;

(II) whether he/she has a connected relationship with the Company or the controlling shareholders and actual controllers of the Company;

(III) the number of shares of the Company held by him/her;

(IV) whether he/she has been penalized or disciplined by relevant regulatory authorities;

(V) whether there are any circumstances under which he/she shall not serve as a director as specified in relevant laws and regulations, securities regulatory rules of the place where the Company's shares are listed, regulatory provisions of relevant regulatory authorities and the Articles of Association.

Except for the election of directors by adopting a cumulative voting system, the election of each candidate for director shall be proposed by way of a separate proposal.

Article 66 After the issuance of the notice of a shareholders' meeting, without justifiable reason, the shareholders' meeting shall not be postponed or cancelled, and the proposals set out in the notice of the shareholders' meeting shall not be revoked. In the event of postponement or cancellation, the convener shall notify all shareholders and provide reasons therefor at least 2 business days prior to the original date of the meeting.

In respect of the procedures for postponing or cancelling a shareholders' meeting, if the securities regulatory rules of the place where the Company's shares are listed specify otherwise, the provisions thereof shall prevail provided that they do not contravene the Company Law, the Securities Law and other relevant laws and regulations.

Section 6 Holding of Shareholders' Meetings

Article 67 The Board of Directors of the Company and other conveners shall take all necessary measures to ensure the normal order of a shareholders' meeting. Measures shall be taken to stop acts of interfering with shareholders' meetings, picking quarrels and provoking trouble and infringing on the legitimate rights and interests of shareholders, which shall be promptly reported to relevant authorities for investigation and handling.

Article 68 All shareholders of the Company or their proxies recorded in the register on the share registration date shall have the right to attend shareholders' meetings, and enjoy various rights such as the right to know, the right to speak, the right to inquire and the right to vote in accordance with the relevant laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association, unless individual shareholders are required by the Hong Kong Listing Rules to abstain from voting on individual matters. Pursuant to the applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, where any shareholder is required to abstain from voting on any particular resolution, or where any shareholder is restricted to voting only for or only against any particular resolution, the votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted towards the voting results.

Shareholders may attend the shareholders' meeting in person or appoint proxies to attend and vote on their behalf, and such proxies need not be shareholders of the Company and attendance by proxy shall be deemed as attendance by the shareholder in person. If a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances in force in Hong Kong from time to time, the shareholder may authorize his/her/its corporate representative or one or more persons as he/she/it thinks fit to act as his/her/its proxy(ies) at any shareholders' meeting or creditors' meeting and to exercise such rights as to speak and to vote. A shareholder that appoints a proxy to attend a shareholders' meeting shall specify the matters in respect of which the proxy is authorized and the scope and duration of the authorization.

Article 69 An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity, the power of attorney from the shareholder.

A corporate shareholder/other organization shareholder shall attend the meeting by its legal representative/person in charge or a proxy authorized by the legal representative/person in charge. Where the legal representative/person in charge attends the meeting, he/she shall produce his/her own identification card and valid proof evidencing his/her capacity as the legal representative/person in charge. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative/person in charge of the corporate shareholder/other organization shareholder according to law.

Shareholders of a partnership enterprise shall be represented at the meeting by the managing partner, the delegate appointed by the managing partner, or a proxy entrusted by the managing partner or the delegate appointed by the managing partner. The managing partner or the delegate appointed by the managing partner attending the meeting shall present their personal identity cards, valid documents that can prove its identity as the managing partner or the delegate appointed by the managing partner; proxies authorized to attend the meeting shall present their personal identity cards, the written power of attorney (with the partnership enterprise seal) legally issued by the managing partner of the partnership enterprise or the delegate appointed by the managing partner, and the proof of shareholding.

If a shareholder is a recognized clearing house (or its nominee(s)) as defined by the relevant laws and regulations of the place where the Company's shares are listed, such shareholder is entitled to appoint one or more persons or Company representatives as it deems fit to act on its behalf at any meeting (including but not limited to the shareholders' meeting and the meeting of creditors); where more than one person is authorized, the letter of authorization shall specify the number and class of shares involving each person so authorized. The letter of authorization should be signed by the authorized officer of the recognized clearing house. Such persons so authorized shall be entitled to attend the meeting (who are not required to provide the proof of shareholding, the notarized power of attorney and/or further evidence of his duly authorization), speak at the meeting and exercise their rights on behalf of the recognized clearing house (or its nominee(s)) as if they were individual shareholders of the Company.

Article 70 The power of attorney issued by shareholders authorizing others to attend the shareholders' meeting shall include the following contents:

(I) the name of the proxy;

(II) whether the proxy has the right to vote;

(III) specific voting instructions from the shareholders, including instructions on voting for, against, or abstaining from voting in respect of each of the matters on the agenda to be considered at the shareholders' meeting;

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

(V) the signature (or seal) of the principal; If the principal is a corporate shareholder, the seal of the legal entity shall be affixed.

The proxy form shall be placed at the domicile of the Company or such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time for the voting. Where the instrument is signed by another person authorized by the appointor, the power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall be placed together with the proxy form at the domicile of the Company or such other place as specified in the notice of the meeting.

Article 71 Where the proxy form is signed by a person authorized by the appointor, the power of attorney or other authorization documents under which it is signed shall be notarized. The notarized power of attorney or other authorization documents, together with the proxy form, shall be lodged at the domicile of the Company or such other place as specified in the notice of the meeting.

Where the appointor is a legal person, its legal representative or a person authorized by the resolutions of its Board of Directors or other decision-making body shall be entitled to attend and vote at the shareholders' meeting of the Company as a representative of the appointor. If the legal person or other organizations have appointed a representative to attend any meeting, it shall be deemed to have attended in person. The legal person or other organizations may have their duly authorized representative sign the form of proxy.

Article 72 A proxy can exercise, including but not limited to, the following rights pursuant to the authorization from such shareholder:

(I) such shareholder's right to speak at the shareholders' meeting;

(II) the right to demand a poll alone or jointly with others;

(III) the right to vote by a poll. However, when more than one proxy are appointed, they can only vote by a poll.

If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant ordinance enacted from time to time in Hong Kong, such shareholder may authorize one or more persons or representatives of the Company as he/she/it thinks fit to act as his/her/its representative(s) at any shareholders' meeting or any meeting of creditors. However, if one or more persons are so authorized, the power of attorney shall specify the number and class of shares in respect of which each of such person is so authorized. The person so authorized may attend the meeting and exercise on behalf of the recognized clearing house (or its proxy) the same legal rights (without being required to produce share certificate, notarized authority and/or further evidence to prove that he/she has been duly authorized) as other shareholders are entitled, including the right to speak and vote, as if he/she/it was an individual shareholder of the Company.

Article 73 The Company shall prepare a register of attendance of the meeting. The register shall contain the name of the attendee (or name of entity represented by him/her), his/her identity card number and address of domicile, number of voting shares held or represented by him/her and name of shareholder represented by him/her (or name of such shareholder's entity).

Article 74 The convener(s) shall verify the legitimacy of the eligibility of the shareholders according to the register of members provided by the securities registration and clearing institution, and register the name of and number of voting shares held by each shareholder. Such registration shall be completed before the chairperson of the meeting declares the number of shareholders attending the meeting in person or by proxy and the total number of voting shares held by them.

Article 75 All directors and the secretary to the Board of Directors shall be present at the shareholders' meeting, and senior management shall attend the meeting as a non-voting representative. Subject to the securities regulatory rules of the place where the Company's shares are listed, the aforementioned persons may attend the meeting or attend the meeting as non-voting representatives via the internet, video, telephone, or other methods with equivalent effect. If the above persons are unable to attend the shareholders' meeting or attend the shareholders' meeting as non-voting representatives for any reason, they shall provide a written explanation to the Company and request leave.

Article 76 A shareholders' meeting shall be chaired by the chairman of the Board of Directors. In the event that the chairman is unable or fails to perform his/her duties, a director jointly nominated by more than half of the directors shall preside over the meeting.

A shareholders' meeting convened by the Audit Committee shall be chaired by the convener of the Audit Committee. In the event that the convener is unable or fails to perform his/her duties, one member of the Audit Committee jointly nominated by more than half of the Audit Committee members shall preside over the meeting.

A shareholders' meeting convened by the shareholders on their own initiative shall be chaired by the convener or a representative appointed by such convener.

When a shareholders' meeting is held and the chairperson violates the rules of procedure, which makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairperson to proceed, subject to the approval of more than half of the attending shareholders with voting rights.

Article 77 The Company shall formulate the rules of procedure for the shareholders' meetings, specifying in details the procedures for convening and voting at the shareholders' meeting, and principle of delegating powers to the Board of Directors by the shareholders' meeting, and the authorization shall be clear and specific. The rules of procedure for the shareholders' meetings shall be prepared by the Board of Directors and approved by the shareholders' meeting.

Article 78 At an annual shareholders' meeting, the Board of Directors shall report their respective work in the preceding year to the shareholders' meeting, and each independent non-executive director shall deliver a work report.

Article 79 The directors and senior management shall answer and explain inquiries and suggestions made by the shareholders at any shareholders' meeting.

Article 80 The chairperson of a shareholders' meeting shall, before the commencement of a vote, declare the number of the shareholders attending the meeting in person or by proxy and the total number of voting shares held by them, subject to the register of attendance of the meeting.

Article 81 The secretary to the Board of Directors shall be responsible for preparing minutes of each shareholders' meeting. The minutes of the meeting shall include the following:

(I) the time, venue and agenda of the meeting and name of the convener;

(II) the name of the meeting chairperson and the names of the directors and senior management attending the meeting or attending the meeting as a non-voting representative;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares they hold and the respective proportions in the total number of shares of the Company;

(IV) the process of review and discussion, a summary of any speech and voting results of each proposal;

(V) shareholders' questions, opinions or suggestions and corresponding responses or explanations;

(VI) names of the lawyers, vote counters and scrutineers;

(VII) other contents that the shareholders' meeting deems necessary or that are required by the Articles of Association to be recorded in the meeting minutes.

The Company may specify such other particulars to be recorded in the minutes of shareholders' meetings under the Articles of Association in light of actual circumstances.

Article 82 The convener shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the directors, the secretary to the Board of Directors, the convener or his/her proxy attending the meeting or attending the meeting as a non-voting representative and the chairperson, and be kept together with the register of attendance of the shareholders present, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than 10 years.

Article 83 The convener shall ensure the shareholders' meeting proceeds continuously, until the final resolutions have been adopted, and if the meeting is discontinued or fails to reach any resolution due to any force majeure or other special reasons, necessary measures shall be taken to resume the meeting as soon as practicable or directly terminate the meeting, and make announcements in a timely manner. The convener shall also report the same to the local agency of the CSRC and the stock exchange at the place where the Company is domiciled in accordance with the requirements of applicable laws.

Section 7 Voting and Resolutions of Shareholders' Meetings

Article 84 The resolutions of the shareholders' meeting are categorized as ordinary resolutions and special resolutions.

An ordinary resolution made by the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting.

A special resolution made by the shareholders' meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting.

Article 85 The following matters shall be passed by ordinary resolution at the shareholders' meeting:

(I) the working reports of the Board of Directors;

(II) plans for distribution of profits and plans for making up losses proposed by the Board of Directors;

(III) the appointment and removal of the members of the Board of Directors and their remuneration and method of payment;

(IV) Other matters other than those required to be approved by special resolution under applicable laws and regulations, regulatory provisions of relevant regulatory authorities, the shareholders' agreement or the Articles of Association.

Article 86 The following matters shall be passed by special resolution at the shareholders' meeting:

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

(II) the demerger, spin-off, amalgamation, dissolution and liquidation of the Company;

(III) the amendment to the Articles of Association;

(IV) any purchase or disposal of material assets made or guarantee provided to others by the Company within one year exceeding 30% of the latest audited total assets of the Company;

(V) equity incentive plan;

(VI) other matters required by relevant laws and regulations, securities regulatory rules of the place where the Company's shares are listed, regulatory provisions of relevant regulatory authorities or the Articles of Association, as well as those determined by ordinary resolutions of the shareholders' meeting with significant impact on the Company, and which require special resolutions to be passed.

Article 87 Shareholders (including proxies thereof) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. When voting by poll, a shareholder (including his proxy) entitled to two (2) or more votes need not cast all his votes as affirmative votes, dissenting votes or abstention votes. When considering the material matters affecting the interests of minority investors at the shareholders' meeting, the votes by minority investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at the shareholders' meeting.

Shareholders who purchase the voting shares of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after the purchase, and such number shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' meeting.

The Board of Directors, independent non-executive directors, shareholders holding more than 1% of voting shares or investor protection agencies established in accordance with laws, administrative regulations, the securities regulatory rules and stock exchange requirements of the place where the Company's shares are listed may publicly solicit voting rights from shareholders. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being solicited. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limit for soliciting voting rights, except for statutory conditions.

Article 88 When the shareholders' meeting deliberates on connected transactions, affiliated shareholders shall not participate in voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the resolution of the shareholders' meeting shall fully disclose the voting results of non-affiliated shareholders.

Article 89 Unless the Company faces a crisis or falls into other special situations, without the approval of a special resolution by the shareholders' meeting, the Company shall not enter into any contract with any person other than the directors, general manager and other senior management members of the Company, pursuant to which the Company will delegate the management of all or any important business of the Company to such person.

Article 90 The list of candidates for directors shall be submitted to the shareholders' meeting for voting by proposal. The nomination methods and procedures for directors are as follows:

Candidates for directors shall be composed of shareholder representatives and employee representatives of the Company in the proportion specified in the Articles of Association. Shareholder representatives in the Board of Directors shall be nominated by the Board of Directors or shareholders individually or collectively holding 1% or more of the Company's shares, and submitted to the shareholders' meeting for review; employee representative directors shall be democratically elected by the Company's employees.

When the election of directors is put to a vote at a shareholders' meeting, an accumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting.

When the shareholders' meeting elects two or more independent non-executive directors, an accumulative voting system shall be adopted.

The accumulative voting system referred to in the previous paragraph means that the voting rights of each share shall be the same as the number of candidates for directors during the election of directors at the shareholders' meeting. Shareholders with voting rights may cast all their votes for one candidate, i.e. each share held by a shareholder carries voting rights equal to the number of directors to be elected, and the shareholder may cast all such votes for one candidate or distribute them among multiple candidates. Under the accumulative voting system, if the number of proposed director candidates exceeds the number of directors to be elected, the election of directors may be conducted by way of competitive election.

Under the accumulative voting system, independent non-executive directors shall be elected separately from the other members of the Board of Directors.

Article 91 Except for the accumulative voting system, votes on proposals shall be taken one by one at a shareholders' meeting, and if there are different proposals regarding the same matter, votes on such proposals shall be taken in order of time of submission thereof. Unless the shareholders' meeting is discontinued or fails to adopt any resolution due to any force majeure or other special reasons, the shareholders' meeting shall not put on hold or refrain from voting on any proposal.

Article 92 No proposal deliberated at a shareholders' meeting shall be amended; otherwise, the relevant amendment shall be deemed a new proposal, which shall not be voted on at the same meeting.

Article 93 The same voting right can only be exercised at on-site meetings, online or by other means. If the same vote is cast more than once, only the first vote will be deemed valid.

Article 94 The shareholders' meeting adopts a registered voting method.

Article 95 Before voting on any proposal at a shareholders' meeting, two shareholders' representatives shall be elected to participate in counting votes and scrutinizing the vote count. If any shareholder has a connected relationship with the matters to be considered, such shareholder and his or her proxy shall not participate in the vote counting or scrutinization of votes.

When a proposal is voted on at the shareholders' meeting, the counting and scrutinization of votes shall be jointly conducted by lawyers and shareholder representatives, and the voting results shall be announced on the spot. The voting results of the resolution shall be recorded in the minutes of the meeting. Where laws, administrative regulations, other normative documents, or the Hong Kong Listing Rules provide otherwise for the method of counting and scrutinizing votes, such provisions shall prevail.

Shareholders or their proxies who vote online or by other means shall have the right to check their voting results via the corresponding voting system.

Article 96 The shareholders' meeting held on-site shall not end earlier than the shareholders' meeting held online or otherwise. The chairperson of shareholders' meeting shall announce the outcome and results of the vote on each proposal and announce whether each of such proposal has been passed based on the results of the votes.

Before the formal declaration of the result of any voting, the Company, vote counter(s), scrutineer(s), substantial shareholders, network service provider and other persons involved in voting on site, online and by other means at the shareholders' meeting shall have the obligation to keep the information related to the voting confidential.

Article 97 Except for Hong Kong Securities Clearing Company Limited and HKSCC Nominees Limited, shareholders attending the shareholders' meeting shall express one of the following opinions on the proposal submitted for voting: for, against or abstention, save where securities registration and clearing institutions serving as the nominal holders of stocks traded in the stock markets of the Mainland and Hong Kong under the stock connect mechanism, or recognized clearing houses, as defined in the relevant regulations in force from time to time under the laws of Hong Kong, or their agents serving as the nominal holders, makes declaration according to the intention of the actual holders.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his/her voting rights and the voting result for his/her shares shall be deemed as an "abstention".

Where any shareholder is, under the securities regulatory rules of the place where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote cast by or on behalf of such shareholders in contravention of such requirement or restriction shall not be counted.

Article 98 If the chairperson of the shareholders' meeting has any doubt about the result of voting on any resolution submitted for voting, the chairperson may request the votes cast to be counted. If the chairperson does not request the votes to be counted, any shareholder attending the meeting in person or by proxy shall have the right to request the votes to be counted immediately after the result of voting is declared if such shareholder objects to the result of voting declared by the chairperson, in which case, the chairperson shall immediately have the votes counted.

Article 99 The resolutions of the shareholders' meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies attending the meeting, the total number of voting shares and its proportion to the total number of voting shares of the Company, and the voting method, voting results of each proposal and details of each resolution passed, as well as other items as required by the securities regulatory rules of the place where the Company's shares are listed.

Article 100 The resolutions of a shareholders' meeting shall specifically indicate any proposal that fails to be adopted or any amendment to any resolution of the previous shareholders' meeting at the meeting.

Article 101 Unless otherwise specified, where a shareholders' meeting adopts any proposal on the appointment of directors, the term of office of the newly appointed directors shall commence from the date of the passing of the resolution at the shareholders' meeting until the expiration of the term of office of the current session of the Board of Directors.

Article 102 Where the shareholders' meeting approves a proposal relating to the distribution of cash dividends, the issue of bonus shares, or the capitalization of capital reserve, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting.

CHAPTER V BOARD OF DIRECTORS

Section 1 Directors

Article 103 The directors of the Company are natural persons. The following persons shall not serve as a director of the Company:

(I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;

(II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, or for a person who has been placed on probation, two years have not yet elapsed from the date on which the probationary period of probation has expired;

(III) a person who has served as a director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;

(IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;

(V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he bears is relatively large and the debt is not paid off when it is due;

(VI) a person who has been prohibited from entering the securities market by relevant regulatory authorities, and the time limit has not expired;

(VII) a person who has been publicly identified by relevant regulatory authorities as unsuitable for serving as directors, senior management personnel, etc. of listed companies, and whose disqualification period has not yet expired;

(VIII) other contents stipulated by relevant laws and regulations, and regulatory requirements of relevant regulatory authorities.

The election, appointment or employment of the directors shall be invalid if such election, appointment or employment is against this Article. If a director falls into the situations provided in the above-mentioned situations during his/her term of office, the Company shall dismiss his/her post and suspend his/her performance of duties.

Article 104 Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiry of their term of office. The term of office of a director shall be three years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment.

The term of office of a director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a director expires without timely re-election, the original director shall still perform the duties of a director in accordance with relevant laws and regulations, the regulatory requirements of relevant regulatory authorities and the Articles of Association before the newly elected director takes office.

Senior management may concurrently serve as a director, provided that the total number of directors concurrently serving as senior management and employee representative directors shall not exceed a half of the total number of the Company's directors.

Article 105 A director shall assume the following duty of loyalty to the Company in compliance with relevant laws and regulations, regulatory requirements of relevant regulatory authorities and the Articles of Association. He/she shall take actions to avoid conflict between their own interests and those of the Company and shall not seek any improper interests by taking advantage of their powers.

A director shall have the following duty of loyalty to the Company:

(I) not to embezzle the property or misappropriate the funds of the Company;

(II) not to deposit company assets or funds into accounts under their own names or the names of other individuals;

(III) not to give bribes or accept any other illegal proceeds by taking advantage of his/her power;

(IV) not to, directly or indirectly, enter into contracts or transactions with the Company without reporting to the Board of Directors or the shareholders' meeting and being approved by the Board of Directors or the shareholders' meeting in accordance with the Articles of Association;

(V) not to take advantage of his/her position to seek business opportunities that should belong to the Company either for his/her own account or for the account of any other person, except for those that have been reported to the Board of Directors or the shareholders' meeting and approved by a resolution at the shareholders' meeting, or those the Company cannot make use of according to relevant laws and regulations or the Articles of Association;

(VI) not to engage in the same type of business as that of the Company either for his/her own account or for the account of any other person without reporting to the Board of Directors or the shareholders' meeting and being approved by a resolution at the shareholders' meeting;

(VII) not to accept commissions on transactions between other persons and the Company for his/her own benefit;

(VIII) not to disclose the Company's secrets without authorization;

(IX) not to abuse his/her connected relationship to damage the Company's interests;

(X) other duties of loyalty stipulated in relevant laws and regulations, regulatory requirements of relevant regulatory authorities and the Articles of Association.

The income obtained by a director in violation of this Article shall belong to the Company. If losses are caused to the Company, he/she shall be liable for compensation.

When an immediate family member of a director or senior management of the Company, an enterprise directly or indirectly controlled by a director, senior management or his/her immediate family member, and a connected person having other connected relationships with a director or senior management, enters into contracts or transactions with the Company, the requirements under item (4), paragraph 2 of this Article shall apply.

With regard to the controlling shareholders and actual controllers of the Company who do not serve as directors of the Company but actually execute the Company's affairs, the provisions in the preceding paragraph on duty of loyalty of directors shall apply.

Article 106 A director shall assume the following duty of care to the Company in compliance with relevant laws and regulations, regulatory requirements of relevant regulatory authorities and the Articles of Association. He/she shall exercise the reasonable care that a manager would normally be expected to exercise for the best interests of the Company.

A director shall have the following duty of care to the Company:

(I) to prudently, earnestly and diligently exercise the rights granted by the Company to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of relevant laws and regulations, and various state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(II) to treat all shareholders fairly;

(III) to keep himself/herself promptly informed of the operation and management of the Company;

(IV) to sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(V) to truthfully provide information and materials to the Audit Committee, and shall not obstruct the Audit Committee in the exercise of its powers;

(VI) other duties of care stipulated in relevant laws and regulations, regulatory requirements of relevant regulatory authorities and the Articles of Association.

Article 107 If a director fails to attend meetings of the Board of Directors in person for two consecutive times and also fails to appoint another director to attend such meetings on his/her behalf, he/she shall be deemed unable to perform his/her duties, and the Board of Directors shall recommend to the shareholders' meeting that such director be replaced.

Article 108 A director may resign prior to the expiration of his/her term of office. A resigning director shall submit a written resignation letter to the Board of Directors, and the resignation shall take effect on the date when the Company receives such letter. The Company shall disclose the relevant particulars within two trading days. If the resignation of a director results in the number of directors of the Company falling below the statutory minimum, the resignation letter shall not take effect until the successor is appointed to fill the vacancy arising from such resignation. The resigning director shall continue to perform his/her duties before the resignation letter takes effect.

Article 109 The Company shall establish a director departure management system, specifying safeguard measures for holding directors accountable and seeking recourse for unfulfilled public commitments and other outstanding matters. When the resignation of a director takes effect or his/her term of office expires, he/she shall complete all handover procedures with the Board of Directors. His/her duty of loyalty towards the Company and shareholders will not necessarily be released after the termination of his/her term of office. After leaving office, the director shall continue to assume confidentiality obligations for the Company's secrets until the relevant information becomes public. The duration of other obligations of directors shall be determined based on the principle of fairness, taking into consideration factors such as the period of time between the occurrence of the event and the date of departure, as well as the circumstances and conditions under which the relationship with the Company ended. The liability of a director arising from the performance of his/her duties during his/her term of office shall not be discharged or extinguished by reason of his/her departure.

Article 110 Unless otherwise specified in the Articles of Association or legally authorized by the Board of Directors, no director may act on behalf of the Company or the Board of Directors in his/her own name. When a director acts in his/her own name, if a third party would reasonably believe that the director acts on behalf of the Company or the Board of Directors, such director shall declare in advance his position and capacity.

Article 111 The shareholders' meeting may remove a director by a resolution. The removal shall take effect on the date when the resolution is made.

If, without justifiable reason, a director is removed before the expiration of his/her term of office, he/she may request compensation from the Company.

Article 112 If a director causes harm to others in the course of performing his/her duties with the Company, the Company shall be liable for compensation; if such director has acted with intent or gross negligence, he/she shall also be liable for compensation.

If a director contravenes relevant laws and regulations or the Articles of Association in performing his/her duties, thereby causing losses to the Company, he/she shall be liable for compensation.

Article 113 Independent non-executive directors shall act in accordance with relevant requirements under laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, and the Terms of Reference of the Independent Non-executive Directors of the Company.

Article 114 The Company shall provide directors with compliance training related to corporate governance on a regular basis and bear the associated costs. Such training shall include the statutory duties of directors, corporate governance practices, regulatory developments and others.

Section 2 Board of Directors

Article 115 The Company shall have a Board of Directors, which is accountable to the shareholders' meeting. The Board of Directors is composed of eleven directors, of which four are independent non-executive directors. The Board of Directors shall have one chairman, who shall be elected by a majority of all directors.

The Board of Directors of the Company shall establish the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. The special committees shall consist of no less than three directors, more than half of whom shall be independent non-executive directors. The Audit Committee shall consist of non-executive directors, and the convener shall be a professional with accounting expertise.

The Audit Committee is primarily responsible for the communication, supervision, and review of the internal and external audits, and the risk management and internal control of the Company. The Nomination Committee is primarily responsible for selecting candidates for directors and senior management of the Company and establishing relevant selection criteria and procedures, conducting evaluations and providing recommendations. The Remuneration and Appraisal Committee is primarily responsible for developing performance evaluation criteria for the Company's directors and senior management and conducting assessments, and formulating and reviewing the remuneration policies and plans for directors and senior management of the Company.

The responsibilities, authorities, and rules of procedure of each special committee shall be determined in accordance with the rules of procedure of each respective special committee established by the Board of Directors of the Company.

Article 116 The Board of Directors is accountable to the shareholders' meeting, and shall exercise the following functions and powers:

(I) to convene shareholders' meeting and report its work to the shareholders' meeting;

(II) to implement the resolutions of the shareholders' meeting;

(III) to decide on the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of the Company;

(VI) to draft plans for the Company's major acquisitions and disposals, repurchase of the Company's shares, merger, division, dissolution, and change in corporate form;

(VII) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee matters, entrusted wealth management, connected transactions and external donations as authorized by the shareholders' meeting;

(VIII) to decide on establishment of internal management organs of the Company;

(IX) to decide on the appointment or dismissal of the Company's general manager and secretary to the Board of Directors and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, financial director and other senior management according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(X) to formulate the basic management system of the Company;

(XI) to formulate proposals to amend the Articles of Association;

(XII) to manage the Company's information disclosure matters;

(XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

(XIV) to hear the work report of the general manager of the Company and review the performance of the general manager;

(XV) other functions and powers stipulated by relevant laws and regulations, regulatory rules of the place where the securities of the Company are listed, regulatory requirements of relevant regulatory authorities or the Articles of Association, and those granted by the shareholders' meeting.

Matters beyond the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

The Board of Directors may authorize the chairman of the Board of Directors and other members of the Board to exercise certain powers of the Board during the period when the Board is not in session, provided that the scope of such authorization shall be clear and specific, and the execution of the authorized matters shall be subject to ongoing supervision. Major matters of the Company shall be decided collectively by the Board of Directors, and the powers and functions required by law to be exercised by the Board of Directors shall not be delegated to the chairman, the general manager, or any other person.

Article 117 The Board of Directors of the Company shall make an explanation to the shareholders' meeting regarding any modified audit opinion issued by a certified public accountant in respect of the financial report of the Company.

Article 118 The Board of Directors shall formulate the rules of procedure for the Board of Directors, to ensure the implementation by the Board of Directors of the resolutions of the shareholders' meetings, improve work efficiency, and ensure scientific decision-making.

Article 119 The Board of Directors shall determine the scope of authority for external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, and connected transactions, to establish stringent examination and decision-making procedures. It shall organize relevant specialists or professionals to assess and examine any major investment projects, and report the same to the shareholders' meeting for approval.

Article 120 The chairman of the Board of Directors shall exercise the following functions and powers:

(I) to preside over shareholders' meetings, and to convene and preside over meetings of the Board of Directors;

(II) to supervise and inspect the implementation of resolutions of the Board of Directors;

(III) to sign relevant documents on behalf of the Company within the scope of authorization;

(IV) other functions and powers granted by the Board of Directors.

Article 121 If the chairman of the Board of Directors is unable or fails to perform his/her duties, a director jointly elected by more than half of all the directors shall perform such duties.

Article 122 The Board of Directors shall convene meetings at least twice a year with the chairman of the Board of Directors as the convenor. A written notice shall be sent to all directors ten days before the meeting.

Article 123 Shareholders representing one-tenth or more of all voting rights, or one-third or more of all directors or the Audit Committee may propose to convene an extraordinary meeting of the Board of Directors. The chairman shall convene and preside over the extraordinary meeting of the Board of Directors within ten days after receiving the proposal.

Article 124 The methods of giving notice for the Board of Directors to convene an extraordinary meeting of the Board of Directors include oral notice (including by telephone and in person), email, telegram, mail or hand delivery; the notice period shall be five days prior to the meeting.

In the event of a special emergency requiring the convening of an extraordinary meeting of the Board of Directors, the aforementioned notification methods and time limits may be waived.

Article 125 A notice of the meeting of the Board of Directors shall include the following contents:

(I) date and place of the meeting;

(II) duration of the meeting;

(III) purposes and topics;

(IV) date of the notice.

Article 126 A meeting of the Board of Directors may be held only when a majority of all directors are present at the meeting. A resolution of the Board of Directors must be passed by more than half of all directors.

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

Article 127 When a director is connected with the enterprises or individuals involved in the matters to be resolved at the meeting of the Board of Directors, such director shall promptly submit a written report to the Board of Directors. A connected director shall abstain from voting, which means he/she shall neither vote on the resolution, nor vote on behalf of other directors. Such meeting may be held if more than half of the unconnected directors attend. Resolutions of the Board of Directors shall be passed by a majority of the unconnected directors. If the number of unconnected directors attending the meeting of the Board of Directors is less than 3, such matter shall be submitted to the shareholders' meeting for consideration.

Article 128 A resolution of the Board of Directors shall be voted on by open ballot.

The meeting of the Board of Directors may be convened and a resolution may be made through means of video, telephone or fax provided that the directors are able to fully express their views and opinions. Such resolutions shall be signed by the directors present at the meeting.

Article 129 Directors shall attend the meeting of the Board of Directors in person. If a director is unable to attend the meeting due to any reason, he/she may appoint another director in writing to attend the meeting on his/her behalf. The instrument of proxy shall contain the name of the proxy, the matters in respect of which the proxy is appointed, scope of authority and validity period, and shall be signed or sealed by the appointor. The directors attending the meeting on behalf of others shall exercise their rights within the scope of authorization. If a director fails to attend the meeting of the Board of Directors, either in person or by proxy, such director shall be deemed to abstain from voting at the meeting.

Article 130 The Board of Directors shall keep minutes of decisions on matters considered at the meeting, which shall be the responsibility of the secretary to the Board of Directors, and the minutes shall be signed by the directors attending the meeting. The minutes of meetings of the Board of Directors shall be kept as archives of the Company for at least ten years.

Article 131 The minutes of a meeting of the Board of Directors shall include the following particulars:

(I) the date and venue of the meeting, and the name of the convener;

(II) the names of the directors attending the meeting and directors (proxies) appointed by others to attend the meeting of the Board of Directors;

(III) the agenda of the meeting;

(IV) the main points of directors' speeches;

(V) the method and results of the voting for each resolution (the voting results shall state the number of affirmative and negative votes and abstention).

CHAPTER VI INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 132 Members of the Board of Directors of the Company shall consist of one-third (at least 3) independent non-executive directors, including at least one member who is an accounting professional with appropriate professional qualification according to the regulatory requirements, or with appropriate accounting or related financial management expertise (specifically, he/she shall have relatively rich accounting expertise and experience, and have experience in internal control, and preparing or auditing financial statements similar to those of the Company, or making an analysis of audited financial statements of companies through engaging in the work of a certified public accountant, auditor, companies' chief financial officer or chief accounting officer, etc. or performing similar duties). At least one member of independent non-executive directors of the Company shall ordinarily reside in Hong Kong. All independent non-executive directors must possess the independence required in the securities regulatory rules of the place where the Company's shares are listed.

If the Board of Directors of the Company establishes special committees, including the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, the independent non-executive directors shall account for a majority of the members of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and shall serve as the conveners thereof.

Article 133 Independent non-executive directors shall remain independent. The following individuals may not serve as independent non-executive directors:

(I) persons holding office in the Company or its affiliates and their spouses, parents, children or major social relatives;

(II) natural person shareholders directly or indirectly holding 1% or more of issued shares of the Company or among top ten shareholders of the Company and their spouses, parents and children;

(III) persons holding office in any shareholder directly or indirectly holding 5% or more of issued shares of the Company or in the top five shareholders of the Company and their spouses, parents and children;

(IV) persons holding office in any affiliate of the controlling shareholders or actual controllers of the Company and their spouses, parents and children;

(V) persons who have material business dealings with the Company or its controlling shareholders or actual controllers or their respective affiliates or who hold office in any entity having material business dealings or its controlling shareholders or actual controllers;

(VI) persons providing financial, legal, consulting, sponsoring or other services to the Company, its controlling shareholders, actual controllers or their respective affiliates, including but not limited to all members of the project team of an intermediary providing services, reviewers at all levels, persons signing reports, partners, directors, senior management and principals;

(VII) persons who have been in the situations listed in the items I to VI hereof within the last 12 months;

(VIII) other persons who are not independent as stipulated by the relevant laws and regulations, regulatory provisions of relevant regulatory authorities, and the Articles of Association.

The affiliates of controlling shareholders or actual controllers of the Company as referred to in items IV to VI of the preceding paragraphs do not include those companies which are controlled by the same state-owned assets administration institution as the Company and do not have a connected relationship with the Company in accordance with the relevant provisions.

Independent non-executive directors shall conduct self-examination of their independence each year and submit the results of self-examination to the Board of Directors. The Board of Directors shall assess the independence of incumbent independent non-executive directors and issue special opinions thereon each year, and disclose such opinions together with the annual report.

Article 134 A person to serve as an independent non-executive director of the Company shall meet the following conditions:

(I) being qualified to serve as director of a listed company according to the laws, administrative regulations and other relevant provisions;

(II) meeting the independence requirements of the Articles of Association;

(III) having basic knowledge of the operation of listed companies and being familiar with relevant laws, regulations and rules;

(IV) having more than five years of legal, accounting or economic work experience necessary to perform the duties of an independent non-executive director;

(V) having good personal morality, with no bad records such as major dishonesty, etc.;

(VI) other conditions stipulated by the relevant laws and regulations, regulatory provisions of relevant regulatory authorities, and the Articles of Association.

Article 135 In addition to the functions and powers granted to directors under applicable laws and regulations and the Articles of Association, the independent non-executive directors shall have the following special functions and powers conferred by the Company:

(I) to independently engage intermediary agencies to audit, consult or inspect specific matters of the Company;

(II) to propose to the Board of Directors to convene extraordinary shareholders' meetings;

(III) to propose the convening of a meeting of the Board of Directors;

(IV) to publicly solicit shareholders' rights from shareholders pursuant to the law;

(V) to express independent opinions on matters that might compromise the interests of the Company or its minority shareholders;

(VI) other functions and powers stipulated by relevant laws and regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The exercise of the functions and powers set out in items (I) to (III) above by the independent non-executive directors shall be approved by a majority of all independent non-executive directors.

Article 136 Independent non-executive directors shall carry out their duties independently without being influenced by the Company's substantial shareholders, actual controllers or other units and individuals having interests in the Company.

Article 137 An independent non-executive director shall actively perform his/her due diligence obligations and, if necessary, engage an intermediary to carry out special inspections, if the independent non-executive director finds that the Company:

(I) fails to go through consideration procedures for material matters as required;

(II) fails to perform the information disclosure obligation in a timely manner;

(III) discloses information which contains false records, misleading statements, or material omissions;

(IV) otherwise is suspected of violating laws and regulations or damaging the legitimate rights and interests of minority shareholders.

Article 138 The Company shall establish the terms of reference for independent non-executive directors, and designate specialized departments and personnel such as the office of the Board of Directors and secretary to the Board of Directors to assist independent non-executive directors in performing their duties. The Company shall ensure that independent non-executive directors have the same right to know as other directors. In order to ensure the effective exercise of the powers and functions of independent non-executive directors, the Company shall inform the independent non-executive directors of the Company's operation on a regular basis, provide information, and organize or cooperate with the independent non-executive directors to carry out on-site inspections.

Article 139 Each term of office of the independent non-executive directors shall be the same as those of the other directors of the Company. The independent non-executive directors may be re-elected and re-appointed after the expiration of the term of office, but shall not hold office for more than 6 consecutive years. If an independent director has provided services to the Company for a continuous period of six years, he/she shall not be nominated as a candidate for independent director of the Company within 36 months from the date when such fact occurs. The tenure of an independent director who commenced service prior to the Company's initial public offering shall be calculated on a continuous basis.

Article 140 The Company may dismiss an independent non-executive director through legal procedures before the expiration of his/her term of office. If the dismissed independent non-executive director holds that the Company's reasons for his/her dismissal are not justifiable, he/she may make a public statement.

Article 141 An independent non-executive director may resign before the expiration of his/her term of office. If an independent non-executive director resigns from his/her office, he/she shall submit a written resignation report to the Board of Directors and explain the circumstances which are relevant to his/her resignation and which in his/her opinion are necessary to bring to the notice of the shareholders and creditors of the Company.

CHAPTER VII AUDIT COMMITTEE

Article 142 The Company does not have the Board of Supervisors or supervisor.

Article 143 The Company shall set up an Audit Committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors as stipulated by the Company Law. The Audit Committee shall comprise at least three directors, all of whom shall be non-executive directors. Independent non-executive directors shall constitute a majority.

Members of the Audit Committee shall not hold the position of senior management personnel in the Company.

Article 144 The Audit Committee shall exercise the following functions and powers:

(I) to inspect the Company's financial affairs;

(II) to supervise the actions of directors and senior management personnel in performing their duties, and to propose the removal of directors or senior management personnel who violate laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' meeting;

(III) to demand that directors or senior management personnel correct their actions when such actions are found to be detrimental to the Company's interests;

(IV) to propose the convening of an extraordinary shareholders' meeting, and to convene and preside over the shareholders' meeting when the Board of Directors fails to fulfill its duty of convening and presiding over the shareholders' meeting under the Company Law;

(V) to submit proposals to the shareholders' meeting;

(VI) to initiate litigation against directors or senior management personnel in accordance with the relevant provisions of the Company Law;

(VII) other functions and powers stipulated by laws, administrative regulations, and the Articles of Association.

Article 145 The Audit Committee may conduct an investigation when abnormalities are discovered in the Company's operation; if necessary, professional organizations such as accounting firms may be engaged to assist in the work at the Company's expense.

Article 146 The Audit Committee shall convene at least one meeting each year.

A resolution made by the Audit Committee is subject to the approval by a majority of all members. Where the meeting fails to reach a valid resolution due to recusal of any member, the relevant matter shall be submitted directly to the Board of Directors for deliberation. On a vote on a resolution of the Audit Committee, every member shall have one vote. The Audit Committee shall prepare meeting minutes documenting the decisions on the matters discussed at the meeting. Members of the Audit Committee present at the meeting shall sign the meeting minutes.

CHAPTER VIII SENIOR MANAGEMENT

Article 147 The Company's general manager, deputy general managers, chief financial officer, secretary to the Board of Directors, and other senior management personnel determined by the Board of Directors shall be deemed as the senior management of the Company.

The senior management of the Company shall be appointed or dismissed by the Board of Directors.

Article 148 The circumstances hereof with respect to disqualified directors of the Company shall also apply to the senior management of the Company.

The provisions regarding directors' duty of loyalty and duty of care hereof shall also apply to senior management.

Article 149 A person who holds a position other than a director in companies of the controlling shareholders or actual controllers of the Company shall not serve as senior management of the Company.

The Company's senior management shall be only paid by the Company, not by the controlling shareholders.

Article 150 The general manager shall serve a term of office of three years, and can be re-appointed upon expiration of his/her term of office.

Article 151 The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her work to the Board of Directors;

(II) to organize the implementation of the Company's annual business plans and investment plans;

(III) to draft plans for the establishment of the Company's internal management organization;

(IV) to draft the Company's basic management system;

(V) to formulate the specific rules and regulations of the Company;

(VI) to propose to the Board of Directors appointment or dismissal of other senior management;

(VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) such other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The general manager shall attend the meeting of the Board of Directors.

Article 152 The general manager shall attend the meeting of the Board of Directors, but the general manager who is not a director has no voting rights at the meeting.

Article 153 The general manager may shall formulate the working rules of the general manager, which shall be submitted to the Board of Directors for approval before implementation.

Article 154 The appointment of the Company's deputy general manager and chief financial officer shall be nominated by the general manager and appointed or dismissed by the Board of Directors. Particularly, the chief financial officer shall possess a professional technical title of accountant or higher, or have a background in accounting expertise and not less than three years of experience in accounting work.

Article 155 The Company shall establish a secretary to the Board of Directors, who shall be responsible for the preparation of the shareholders' meetings of the Company and the meetings of the Board of Directors, retention of documents, investor relations management and the Company's shareholder materials management.

The secretary to the Board of Directors shall comply with the provisions of relevant laws, regulations and the Articles of Association.

The secretary to the Board of Directors shall attend the meetings of the Board of Directors and the shareholders' meetings of the Company as a non-voting member. A director or other senior management of the Company may concurrently serve as the secretary to the Board of Directors.

Article 156 Senior management of the Company may tender their resignation before the expiration of their term of office. Senior management shall submit a written resignation report to the Board of Directors when they resign, and shall not circumvent the duties they are required to perform by resigning. If the secretary to the Board of Directors resigns without completing the transfer of duties, the resignation report shall take effect only after the secretary to the Board of Directors has completed the transfer of duties. Except for the aforesaid circumstances, the resignation of senior management shall take effect upon delivery of his/her resignation report to the Board of Directors.

The Board of Directors of the Company shall promptly convene a Board meeting to determine the succeeding senior management personnel upon receipt of the resignation report.

The obligation of loyalty to the Company and all shareholders assumed by the senior management personnel of the Company shall not be discharged prior to the effective date of his/her departure and within a reasonable period or agreed period after the effective date of his/her departure or the expiration of his/her term of office. After the departure of the senior management personnel, the obligations of confidentiality in respect of trade secrets of the Company shall survive until such trade secrets become publicly known. The duration of other obligations shall be determined in accordance with the agreement or the principle of fairness.

Article 157 Any senior management who violates relevant laws and regulations, regulatory provisions of relevant regulatory authorities, or the provisions of the Articles of Association during the performance of his/her duties and causes loss to the Company shall be liable for compensation.

Article 158 Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Senior management of the Company shall be liable for compensation in accordance with the law for any damage caused to the interests of the Company as a result of their failure to perform their duties faithfully or their breach of the duty of good faith.

CHAPTER IX FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Section 1 Financial and Accounting System

Article 159 The Company shall establish its financial and accounting system in accordance with relevant laws and regulations and regulatory provisions of relevant regulatory authorities.

Article 160 At the end of each accounting year, the Company shall prepare a financial report which shall be audited according to law.

Article 161 The Board of Directors of the Company shall place before the shareholders at each annual shareholders' meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the authorities-in-charge as well as the provisions of the place where the Company's shares are listed require the Company to prepare.

Article 162 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual shareholders' meeting.

The Company shall send the annual report to shareholders not less than 21 days before the date of the annual shareholders' meeting. The address of each shareholder should be the address listed on the register of shareholders of the Company. Subject to the requirements of laws, administrative regulations or regulatory rules of the place where the Company's shares are listed, such information may be given by way of announcement (including through the website of the Company and the website of the Hong Kong Stock Exchange). Once the announcement is made and relevant procedures are fulfilled in accordance with laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, all shareholders shall be deemed to have received the aforementioned financial report.

Article 163 The Company is required to publish an annual results announcement within three months after the end of the fiscal year, as well as an interim results announcement within two months after the end of the first six months of each year according to the Listing Rules of the Hong Kong Stock Exchange.

Article 164 The Company is required to publish an annual report within four months after the end of the fiscal year and an interim report within three months after the end of the first six months of each year according to the rules of the Hong Kong Stock Exchange.

Article 165 The Company shall not establish other accounting books except for statutory accounting books. The funds of the Company shall not be deposited in any account opened in the name of any individual.

Article 166 When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the Company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached not less than 50% of the Company's registered capital, it may no longer be allocated.

When the Company's statutory common reserve fund is not sufficient to make up for the Company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund.

After the Company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund.

After the Company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to their respective shareholdings unless otherwise specified in the Articles of Association.

Where the shareholders' meeting distributes profits to shareholders in violation of relevant laws and regulations, and the regulatory provisions of relevant regulatory authorities, the shareholders shall refund the profits distributed to the Company, and the shareholders and the liable directors and senior management shall be held liable for compensation if any loss is caused to the Company.

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

Article 167 The Company's provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in the Company's registered capital.

The provident fund to make up for the Company's losses should first use the discretionary common reserve fund and the statutory common reserve fund; if it still cannot be made up, the capital reserve may be used in accordance with the regulations.

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

Article 168 The Company shall maintain a continuous and stable profit distribution policy, and shall pay attention to bringing reasonable return to investors and take into account the sustainable development of the Company. The distribution of the Company's after-tax profits shall be formulated by the Board of Directors in accordance with the Company's economic efficiency, the Articles of Association, and relevant provisions, and shall be implemented upon resolution by the shareholders' meeting. The Company may adjust its profit distribution policy according to production and operation conditions, investment plans, and long-term development requirements, provided that the adjusted profit distribution policy shall not violate the requirements of laws and regulations. The proposals regarding such adjustments of profit distribution policy shall be reviewed by the Board of Directors of the Company before being submitted to the shareholders' meeting for approval.

The Board of Directors of the Company shall propose a distribution plan after the end of each fiscal year, which shall be implemented upon approval by the shareholders' meeting.

Section 2 Internal Audit

Article 169 The Company shall implement its internal audit system with full-time auditors to carry out internal audit supervision over the financial income and expenditure and economic activities of the Company.

Article 170 The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the Board of Directors. The officer in charge of audit shall be accountable to the Board of Directors and report his/her work to the same.

Article 171 The internal audit department of the Company shall conduct supervision and inspection over matters including the Company's business activities, risk management, internal controls and financial information.

Article 172 The internal audit department shall maintain its independence and appoint full-time auditors. It shall not be placed under the leadership of the finance department, nor shall it operate jointly with the finance department.

Article 173 The internal audit department shall be accountable to the Board of Directors.

In the course of conducting supervision and inspection over the Company's business activities, risk management, internal controls and financial information, the internal audit department shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit department identifies any material issue or clue, it shall promptly report the same directly to the Audit Committee.

Article 174 The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit department. Based on the evaluation report issued by the internal audit department and reviewed by the Audit Committee, together with relevant supporting materials, the Company shall issue an annual internal control evaluation report.

Article 175 When the Audit Committee communicates with external auditing bodies, including accounting firms and state audit institutions, the internal audit department shall actively cooperate and provide the necessary support and assistance.

Article 176 The Audit Committee shall participate in the assessment of the person in charge of internal audit.

Section 3 Appointment of Accounting Firm

Article 177 The Company engages accounting firms that comply with the Securities Law and the regulatory provisions of relevant regulatory authorities to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of engagement is one year and can be renewed.

Article 178 The appointment or removal of an accounting firm for the Company shall be decided by the shareholders' meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the shareholders' meeting.

Article 179 The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

Article 180 The remuneration of an accounting firm shall be determined by the shareholders' meeting.

Article 181 When the Company dismisses or no longer renews the appointment of an accounting firm, it shall notify the accounting firm 10 days in advance. When the shareholders' meeting of the Company votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions.

If the accounting firm proposes to resign, it shall explain to the shareholders' meeting whether the Company has any improper circumstances.

Article 182 If a vacancy arises in the office of the accounting firm, the Board of Directors may, before the convening of a shareholders' meeting, appoint an accounting firm to fill such vacancy and determine its remuneration, provided that such appointment shall be confirmed at the next annual shareholders' meeting. However, during the continuance of such vacancy, if there is any other incumbent accounting firm of the Company, such accounting firm may continue to act.

CHAPTER X NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 183 The notices of the Company may be served as follows:

(I) by hand;

(II) by post (including email);

(III) by announcement;

(IV) by fax;

(V) by other means as specified by the regulatory regulations of relevant regulatory authorities or as approved or provided by the Articles of Association.

Article 184 In respect of the means by which the Company provides or sends corporate communications to holders of H Shares pursuant to the requirements of the Hong Kong Listing Rules, subject to compliance with applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the Company may provide or send corporate communications to holders of H Shares through the website designated by the Company and/or the website of the Hong Kong Stock Exchange, or by electronic means. For the purpose of the preceding paragraph, "corporate communications" means any document issued or to be issued by the Company for the information or action of any holder of H Shares of the Company or such other persons as required under the Hong Kong Listing Rules. Notice convening a shareholders' meeting by the Company shall be given by personal delivery, email, post, public announcement or such other means as provided in the rules of procedure for shareholders' meetings.

Article 185 Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made. Subject to the requirements of laws, regulations or regulatory rules of the place where the Company's shares are listed, the notice convening the shareholders' meeting shall be given by way of announcement on the website of the Company and the website of the Hong Kong Stock Exchange.

Article 186 Notice of a Board meeting of the Company shall be given as follows: Regular meetings shall be notified in writing or by fax, email, letter (including express delivery), personal delivery etc. Notice for extraordinary Board meetings may also be given by telephone or other verbal means.

Article 187 For notice of the Company sent by personal delivery, the date of service shall be the date when the recipient signed (or stamped) to acknowledge receipt of the same; for notice of the Company sent by letter (including express delivery), the date of service shall be the third working day from the date on which the post office (including express company) receives the notice; for notice of the Company sent by email or fax, the date of service shall be the date when the email or fax is sent out; for notice of the Company issued by announcement, the date of service shall be the date when the Company publishes the first announcement.

Article 188 The accidental omission to give notice of a meeting to, or the nonreceipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting and resolution adopted thereat as long as the number of attendees and voting results are legal and valid.

Article 189 Where the relevant requirements of the securities regulatory authority in the place where the Company's shares are listed require the Company to send, post, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both English and Chinese versions, the Company may, if it has made appropriate arrangements to ascertain whether its shareholders wish to receive only the English version or only the Chinese version and to the extent permitted by applicable laws and regulations and in accordance therewith, send only the English version or only the Chinese version to the relevant shareholders in accordance with their stated preferences.

Article 190 The Company shall issue announcements and make information disclosure to the shareholders of domestic shares through the information disclosure newspapers and websites designated by laws, administrative regulations or relevant domestic regulatory authorities. If an announcement is required to be issued to shareholders holding overseas listed shares in accordance with the Articles of Association, such announcement shall, at the same time, be published in the designated newspapers, websites and/or the Company's website by the means prescribed in the Hong Kong Listing Rules. All the documents that the Company is required to deliver to the Hong Kong Stock Exchange pursuant to the Hong Kong Listing Rules shall be written in English or be accompanied by a signed and certified English translation.

Section 2 Announcement

Article 191 The Company shall publish the corporate announcements and other information required to be disclosed in the information disclosure media that comply with the laws and administrative regulations such as the Company Law and the Securities Law and the regulatory rules of the place where the Company's shares are listed.

CHAPTER XI MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Increase and Reduction of Capital

Article 192 The Company may be merged or divided pursuant to laws. Merger of the Company may take the form of absorption or establishment of a new company.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved.

Article 193 Where the Company merges with a company in which it holds 90% or more of the shares, such merger is not subject to the approval of the shareholders' meeting of the merged company but shall notify other shareholders, who shall have the right to request the Company to purchase their equity or shares at a reasonable price.

Where the consideration paid for a merger of the Company does not exceed 10% of the net assets of the Company, it may proceed without the approval at a shareholders' meeting, except as otherwise provided in the Articles of Association.

Where the Company carries out a merger not subject to approval at a shareholders' meeting in accordance with the preceding two paragraphs, it shall be approved by the Board of Directors.

Article 194 In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

The creditors may, within 30 days of the receipt of the notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

Article 195 The credits and debts of the merging parties during a merger of the Company shall be inherited by the company surviving the merger or by the newly established company.

Article 196 If the Company is divided, its properties shall be divided accordingly.

Where the Company is divided, a balance sheet and an inventory of assets shall be prepared. The Company shall notify all creditors within 10 days after adoption of the division resolution and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

Article 197 The debts of the Company prior to the division shall be jointly and severally undertaken by the companies after division, except as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 198 Where the Company decreases its registered capital, the Company shall prepare a balance sheet and an inventory of assets.

The Company shall notify the creditors within 10 days after adoption of the resolution at the shareholders' meeting to decrease the registered capital and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days from the date of receipt of the written notice or, if he/she does not receive a written notice, within 45 days from the date of the announcement, require the Company to repay debts or provide corresponding guarantees.

When the Company reduces its registered capital, it shall correspondingly reduce the shares held by shareholders in proportion to their shareholdings, except as otherwise provided by laws and regulations or stipulated in the Articles of Association.

The registered capital of the Company after decrease of capital shall not be less than the statutory minimum amount.

If the Company reduces its registered capital in violation of the laws and regulations, the shareholders shall return the funds they have received, and any reduction or exemption of shareholders' capital contributions shall be restored; if the Company suffers losses as a result, the shareholders and the concerned directors and senior management shall bear the liability for compensation.

Article 199 If there are still losses after the Company has made up for losses in accordance with the second paragraph of Article 157 of the Articles of Association, it may reduce the registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall neither make distributions to shareholders, nor shall it exempt shareholders from their obligation of capital contribution or paid-in capital payment.

Where the registered capital is reduced pursuant to the preceding paragraph, the provisions under the second paragraph of Article 157 shall not apply. However, the Company shall announce such reduction in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days commencing from the date when the shareholders' meeting resolves to reduce the registered capital.

After reduction of registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of statutory common reserve fund and discretionary common reserve fund reaches fifty percent of the Company's registered capital.

Section 2 Dissolution and Liquidation

Article 200 In any of the following circumstances, the Company shall be dissolved and liquidated according to the law:

(I) upon expiration of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;

(II) the shareholders' meeting has resolved to dissolve the Company;

(III) the Company is dissolved by reason of its merger or division;

(IV) the business license of the Company is revoked or the Company is ordered to close down or to be dissolved in accordance with the laws;

(V) where the Company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the Company continues its existence and the situation cannot be resolved by other means, the Company is dissolved by a People's Court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the Company.

If any of the situations as mentioned in the preceding paragraph arises, the Company shall publicize the situations through the National Enterprise Credit Information Publicity System within 10 days.

Where the Company falls under the circumstance as mentioned in items (I) or (II) of this Article, and it has not distributed the assets to its shareholders yet, it may survive by modifying the Articles of Association or upon a resolution of the shareholders' meeting.

To modify the Articles of Association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two-thirds or more of the voting rights held by the shareholders who attend the shareholders' meeting is required.

A voluntary liquidation of the Company must be approved by shareholders at a shareholders' meeting by two-thirds or more of the voting rights held by the shareholders present at the meeting.

Article 201 Where the Company is dissolved under the circumstances set forth in items (I), (II), (IV) or (V) of Article 200 of the Articles of Association, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation committee shall be composed of directors except where otherwise provided in the Articles of Association or the shareholders' meeting resolves to elect other persons.

If the liquidation obligor fails to perform its liquidation obligations in a timely manner and causes losses to the Company or its creditors, it shall be liable for compensation.

Where the Company is required to undergo liquidation pursuant to the provisions of the first paragraph of this Article but fails to form a liquidation committee to conduct liquidation within the time limit, or fails to conduct liquidation after forming a liquidation committee, interested parties may apply to the People's Court for appointing relevant personnel to form a liquidation committee for liquidation.

Where the Company is dissolved pursuant to item (IV) of the first paragraph of Article 200 of the Articles of Association, the authority or the company registration authority that made the decision to revoke the business license, order the closure or revoke the Company may apply to the People's Court for appointing relevant personnel to form a liquidation committee for liquidation.

Article 202 The liquidation committee shall perform the following powers and duties during the period of liquidation:

(I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;

(II) to inform creditors by notice or announcement;

(III) to deal with the outstanding businesses of the Company relating to liquidation;

(IV) to pay off outstanding taxes and taxes arising during the liquidation process;

(V) to settle claims and debts;

(VI) to distribute the remaining assets of the Company after repayment of debts;

(VII) to represent the Company in civil proceedings.

Article 203 The liquidation committee shall notify the creditors within 10 days from the date of its establishment and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his or her claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification.

The creditors lodging their claims shall explain matters relating to the claims and provide evidential documents. The liquidation committee shall register the creditors' claims.

During the claims lodging period, the liquidation committee shall not make repayment to the creditors.

Article 204 Upon disposal of the Company's property and preparation of the balance sheet and an inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement.

The remaining part of the Company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the Company's debts, shall be distributed to shareholders in proportion to shares held by them.

The Company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The Company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements of the preceding paragraph.

Article 205 After clearing the Company's property and preparing a balance sheet and an inventory of property, if the liquidation committee finds that the Company's property is insufficient to pay off its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 206 Upon completion of the liquidation of the Company, the liquidation committee shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company.

Article 207 The members of the liquidation committee shall perform their liquidation duties in accordance with the law and bear the duties of loyalty and diligence.

Where a member of the liquidation committee fails to perform his or her liquidation duties diligently, thereby causing losses to the Company, he/she shall be liable for compensation; where he/she causes losses to creditors arising from his or her willful or gross negligence, he/she shall be liable for compensation.

Article 208 Liquidation of the Company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

CHAPTER XII AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 209 Under any of the following circumstances, the Company shall amend the Articles of Association:

(I) after amendment has been made to the Company Law or relevant laws, regulations and regulatory regulations of relevant regulatory agencies, the contents of the Articles of Association are in conflict with the amended relevant laws and regulations;

(II) the changes that the Company has undergone are inconsistent with the records made in the Articles of Association;

(III) the shareholders' meeting has resolved to amend the Articles of Association.

Article 210 Where the amendments to the Articles of Association passed by the shareholders' meeting are subject to the examination and approval or filing by the competent authorities, such amendments shall be submitted to the competent authorities for approval or filing. Where the amendments involve registration particulars of the Company, the Company shall register relevant changes according to law.

Article 211 The Board of Directors shall revise the Articles of Association in accordance with the resolutions of the shareholders' meeting to amend the Articles of Association and the examination and approval opinions of the relevant competent authorities.

Article 212 If the amendments to the Articles of Association are within the scope of information that must be disclosed as required by laws and regulations, they shall be made public according to the provisions.

CHAPTER XIII SUPPLEMENTARY PROVISIONS

Article 213 Disputes between the Company, shareholders, directors and senior management involving the provisions of the Articles of Association shall be resolved through negotiation first. If negotiation fails, either party has the right to submit the relevant dispute to the people's court with jurisdiction to resolve it through litigation.

Article 214 Subject to the provisions hereof, the Board of Directors may formulate detailed rules for implementation of the Articles of Association, provided that such detailed rules shall not conflict with the provisions hereof.

Article 215 Where matters are not covered herein, or where there is any conflict between the Articles of Association and any laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and regulatory provisions of relevant regulatory authorities, which are promulgated or amended after the implementation of the Articles of Association, such laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and regulatory provisions of relevant regulatory authorities shall prevail.

Article 216 The Articles of Association shall be prepared in Chinese. In case of any discrepancy between different languages or versions of the Articles of Association, the Chinese version of the Articles of Association most recently approved and registered with the company registration authority shall prevail.

Article 217 For the purpose of the Articles of Association, the terms "not less than", "within" and "not more than" include the given figure; the terms "a majority of", "exceeding", "beyond", "less than" and "more than" do not include the given figure.

Article 218 The Articles of Association shall, as approved by the shareholders' meeting, take effect from the date of the Company's initial public offering of shares and listing and trading of such shares on the Main Board of the Hong Kong Stock Exchange, and shall be interpreted by the Board of Directors of the Company.

Laifual Drive Co., Ltd.