A-LIVING SMART CITY SERVICES CO., LTD.*

雅生活智慧城市服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Articles of Association

(As adopted by special resolution passed at the annual shareholders' meeting of the Company on 28 May 2026)

* *For identification purposes only*

Note: The English version is for reference only. Should there be any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

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Chapter 1 General

Article 1 In order to safeguard the legitimate interests of A-Living Smart City Services Co., Ltd. (the "Company"), its shareholders ,employees and creditors, and regulate the organization and activities of the Company, these Articles of Association are hereby 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, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, Guidelines on the Application of Regulatory Rules - Overseas Offering and Listing No. 1, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other relevant laws, regulations and rules.

Article 2 The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant laws, regulations and rules.

The Company was established by way of promotion on July 21, 2017 and registered at Zhongshan Administration for Industry and Commerce on July 21, 2017, with the Business License (unified social credit code: 91442000282096687C) granted.

Article 3 The promoters of the Company are Zhongshan A-Living Enterprises Management Services Co., Ltd.* and Deluxe Star International Limited. The registered names of the Company are:

Chinese full name: 雅生活智慧城市服務股份有限公司;
English full name: A-Living Smart City Services Co., Ltd.

Article 4 Address of the Company: Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province.

Postcode: 528463
Telephone number: 0760-86389888
Fax number: 0760-86389888

Article 5 The Director who represents the Company in carrying out its affairs is the Company's legal representative. The specific individual shall be elected by the Board of Directors.

Should the Director serving as legal representative resign, such resignation shall be deemed to simultaneously relinquish the role of legal representative.

Upon the resignation of the legal representative, the Company shall appoint a new legal representative within thirty days from the date of resignation.

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Article 6 The Company is a joint stock company with limited liability in perpetual existence, and has the qualification of an independent legal person.

All of the assets of the Company shall be divided into shares of equal value. Each shareholder shall be liable for the Company to the extent of the shares subscribed, and the Company is liable for its debts to the extent of all of its assets. The Company may invest in other companies, if the law stipulates that the Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, the provisions shall apply.

Article 7 Upon the date of approval through a special resolution at the shareholders' meeting of the Company, these Articles of Association shall take effect, and shall replace the previous Articles of Association of the Company filed at the competent administration for industry and commerce.

The Articles of Association shall be a legally binding document that regulates the Company's organization and conducts, the rights and obligations between the Company and its shareholders, and amongst the shareholders themselves once it comes into effect.

Article 8 The Articles of Association shall be binding on the Company, shareholders, Directors, General Manager (President) and other senior management members, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder may claim against the Company; the shareholders may claim against the other shareholders; the shareholders may claim against Directors, General Manager (President) and other senior management members of the Company; the Company may initiate legal proceedings against its shareholders, Directors, General Manager (President) and other senior management members of the Company pursuant to the Articles of Association.

For the purposes of the preceding paragraph, the term "claim" shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.

Article 9 The other senior management members referred to in the Articles of Association include Vice General Managers (Vice Presidents), the secretary of the Board, the Chief Financial Officer of the Company.

Chapter 2 Operational Objectives and Scope

Article 10 The operational objectives of the Company are to facilitate the development of national economy in China and secure satisfactory returns with the wish of strengthening economic collaboration and technical exchange.

Article 11 As registered according to the laws, the business scope of the Company shall be: household service, property management service; outsourcing of manpower; water and electricity maintenance; interior decoration engineering; landscaping engineering (operated by communities of the Company); Chinese food (operated by branches); production and selling of western food (excluding cold dish, decorated cake and raw sea food); tea ceremony; swimming; billiard ball; table tennis; body building; tennis; bowling; golf driving cages; chess and cards (Chinese chess, the game of go, chess and bridge); barbecue; grass skating; elevator maintenance; operation of parking lot; household cleaning service; aerobics; squash; rowing; fishing field; foot bath; beauty salon (excluding medical beauty and operated by branches); agency services of real estate; retail of garments, shoes, boxes, bags and general merchandise (excluding food), stationery and office supplies, toys, sports ware and sports equipment, cosmetics, sanitary articles, hats, household utensils and daily necessities; imports and exports of goods (except for the imports and exports of goods and technologies prohibited by the state or required administrative approval) (the above business scope involves the import and export of goods and technologies) (excluding the goods under special control); and hotel management service; catering service; all types of advertising design, production, publication and agency; marketing planning services; corporate investment advisory (except financial business) (excluding social surveys and market surveys); research and development and installation of intelligent equipment; operation and maintenance services of application software, information system integration services; development, sale and installation of computer products; development of computer software, transfer of technology, technology advisory services; research and development and sale: the Internet of Things (IoT) software and hardware products; construction of energy-saving engineering; environmental monitoring services; air monitoring and treatment; real estate advisory services; human resources services; business management advisory services; technology business incubators; profit-making elderly care centres. (The aforesaid items do not fall within the scope of Special Administrative Measures for Foreign Investment Admission.) (The items that are subject to approval according to laws, shall be operated only after being approved by relevant departments. According to the Document Yue Fu Ban [2014] No. 24, the abovementioned business scope involves the operation of highly dangerous sports project and public places, and the installation, upgrading and maintenance of special equipment.)

Chapter 3 Shares and Registered Capital

Article 12 The Company shall issue ordinary shares at all times. Subject to compliance with the laws, regulations and requirements of securities regulatory authorities, the Company may issue other classes of shares when needed.

Article 13 The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by any entities or individuals.

Article 14 The shares of the Company shall be issued in the form of share certificates. All the shares issued by the Company shall have a nominal value, denominated in RMB, with each share having a nominal value of RMB1.

Article 15 When the Company issues its shares to domestic and foreign investors, it shall perform the registration or filing procedures with the China Securities Regulatory Commission (the "CSRC") in accordance with the law. The term of foreign investors mentioned in the preceding paragraph refers to the investors in foreign countries, Hong Kong, Macao or Taiwan who subscribe for shares issued by the Company; the term of domestic investors refers to the investors within the territory of the PRC (other than the above-mentioned regions) who subscribe for the shares issued by the Company.

Article 16 Shares issued by the Company to domestic investors for subscription in RMB are referred to as Domestic Shares. Shares issued by the Company to foreign investors to subscribe in foreign currency are referred to as foreign shares. The foreign shares, which are listed overseas, shall be referred to as overseas listed foreign shares.

On the premise of complying with laws and regulations and the requirements of securities regulatory authorities and the stock exchange where the company's shares are listed, all or part of the domestic unlisted shares (including unlisted Domestic Shares held by domestic shareholders before overseas listing, the unlisted domestic shares issued in China after overseas listing and the unlisted shares held by foreign shareholders) can be converted into overseas listed foreign shares. No shareholders' meeting is required to be convened for voting in respect of the conversion and listing of such shares on overseas stock exchanges.

Article 17 The total number of ordinary shares issued by the Company upon its establishment is 50,000,000 shares, all subscribed and held by the promoters, among which:

Zhongshan A-Living Enterprises Management Services Co., Ltd.* subscribes and holds 49,500,000 shares via capital contribution of shares converted from net assets at June 30, 2017, representing 99% of the total ordinary shares issued by the Company upon its establishment;

Deluxe Star International Limited subscribes and holds 500,000 shares via capital contribution of shares converted from net assets at June 30, 2017, representing 1% of the total ordinary shares issued by the Company upon its establishment.

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Article 18 Before the initial public offering of overseas listed foreign shares and as of February 9, 2018, the share capital of the Company is RMB1,000,000,000, and the total number of shares is 1,000,000,000 shares, all of which are ordinary shares. The equity structure is listed as follows:

No.	Promoters	Number of	Percentage of Shareholding
1	Zhongshan A-Living Enterprises Management Services Co., Ltd.*	712,800,000	71.28%
2	Deluxe Star International Limited	7,200,000	0.72%
3	Gongqingcheng A-Living Investment Management Limited Partnership*	80,000,000	8%
4	Ningbo Lvjin Investment Management Co., Ltd.*#	100,000,000	10%
5	Greenland Financial Overseas Investment Group Co., Ltd.	100,000,000	10%
Total		1,000,000,000	100%

 # The company name has been changed to Shenzhen Lvjin Enterprise Management Co., Ltd. on December 15, 2020*

 # The company name has been changed to Zhejiang Lvjin Enterprise Management Co., Ltd. on October 15, 2021*

Upon the completion of initial public offering of overseas listed foreign shares, the share capital of the Company is comprised of 1,333,334,000 ordinary shares, including 892,800,000 Domestic Shares and 7,200,000 unlisted foreign shares and 433,334,000 overseas listed foreign shares.

On June 29, 2020, the China Securities Regulatory Commission approved the conversion of 892,800,000 Domestic Shares and 7,200,000 unlisted foreign shares of the Company into overseas listed shares. On July 23, 2020, the Hong Kong Stock Exchange approved the listing and trading of 900,000,000 overseas listed shares upon completion of the above conversion. The conversion was completed on July 28, 2020 and was listed on the main board of the Hong Kong Stock Exchange on July 29, 2020.

After the completion of the issuance of 86,666,800 overseas listed foreign shares on June 4, 2021, the share capital of the Company is comprised of: 1,420,000,800 ordinary shares, including 0 Domestic Shares and 1,420,000,800 overseas listed shares (including 892,800,000 overseas listed shares converted from Domestic Shares and 527,200,800 overseas listed foreign shares).

Article 19 The registered capital of the Company is RMB1,420,000,800 fully paid up, with total investment of RMB1,420,000,800.

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Chapter 4 Increase, Decrease and Repurchase of Shares

Article 20 The Company may, based on its business and development needs and in accordance with the requirements of laws and regulations, increase its capital in the following manners upon resolutions being adopted respectively by the shareholders' meetings:

(1) Offering of shares to unspecified parties;

(2) Offering of shares to specific parties;

(3) Bonus shares are distributed to existing shareholders;

(4) by capitalizing its reserve funds;

(5) by other ways permitted by the laws, administrative regulations, CSRC and the stock exchange where the Company's shares are listed.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these Articles of Association, be conducted in accordance with the procedures stipulated in the relevant laws and administrative regulations of the PRC and the listing rules of the place where the company's shares are listed.

Article 21 The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and these Articles of Association.

Article 22 In the event of reduction of registered capital, the Company shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days from the date of the resolution of the shareholders' meeting in respect of registered capital reduction and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within thirty days from the date of the resolution. The creditors shall, within thirty days from the date of receiving the notice or within forty-five days from the date of publication of the announcement (for those who do not receive the notice), have a right to require the Company to settle their debts or to offer corresponding guarantees for their settlement.

The registered capital of the Company after such reduction shall not be lower than the statutory minimum amount.

Article 23 The Company shall not buy back its shares. However, there are exceptions in any of the following circumstances:

(1) reducing the Company's registered capital;

(2) merging with other companies which hold shares in the Company;

(3) utilizing shares in the employee share ownership scheme or for share incentive;

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

(5) utilizing shares to satisfy the conversion of corporate bonds which are convertible into shares issued by the listed company;

(6) safeguarding the corporate value and the shareholders' interests as the listed company deems necessary;

(7) other circumstances as permitted by laws, administrative regulations and the listing rules of the place where the company's shares are listed.

Article 24 The Company may acquire its own shares through public centralized trading or other methods approved by laws, administrative regulations, and the CSRC.

When the Company acquires its own shares under the circumstances specified in Article 23(1)(3), (5), and (6) of these Articles of Association, such acquisition shall be conducted through public centralized trading.

Article 25 After the shares are acquired by the Company pursuant to the requirements, the Company shall cancel such shares within the period prescribed by laws and administrative regulations, and shall apply to the original company registration authority for registration of the change in the registered capital.

Acquisition of the Company's shares under circumstances specified in item (1) and item (2) of Article 23 of the Articles of Association shall be subject to the resolution of the shareholders' meeting. Acquisition of the Company's shares under circumstances specified in items (3), (5) and (6) of Article 23 of the Articles of Association shall be subject to approval by way of resolution at the Board meeting attended by a two-thirds majority of the Directors.

After the Company acquires its own shares according to Article 23, it shall cancel the shares acquired under the circumstance specified in item (1) within 10 days after the acquisition; transfer or cancel the shares under the circumstances specified in items (2) and (4) within 6 months after the acquisition. In case of the circumstances specified in items (3), (5) and (6), the total shares of the Company held by the Company itself shall not exceed 10% of its total shares in issue and shall be transferred or cancelled within 3 years after the acquisition.

The Company shall apply to the Administration for Industry and Commerce for registering the changes in registered capital or equity, and shall make an announcement according to the listing rules.

The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.

Where the laws, regulations and any other provisions of the relevant requirements of the Securities Regulatory Authority in the place where the Company's shares are listed in respect of the share repurchases, such provisions shall prevail.

Chapter 5 Transfer of Shares

Article 26 The shares of the Company shall be legally transferrable.

Article 27 All fully paid overseas listed shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognize any instrument of transfer without any reasons unless the following conditions are satisfied:

(1) the instrument of transfer and any other documents related to or affecting the title of any shares shall be registered, and payment shall be made to the Company for such registration according to the standard charges stipulated by the Hong Kong Listing Rules, and such payment shall not exceed the maximum amount stipulated by the Hong Kong Listing Rules from time to time;

(2) the instrument of transfer only relates to the overseas listed shares listed on the Hong Kong Stock Exchange;

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

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

(5) if the shares are to be transferred to joint holders, the number of joint shareholders registered shall not exceed four;

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

(7) no shares shall be transferred to a minor or a person of unsound mind or under other legal disability.

If the Board of Directors refuses to register the transfer of shares, a notice of the rejection of registration of such transfer of shares shall be issued to the transferor and the transferee within two months upon the duly submission of transfer application.

Article 28 All transfers of overseas listed shares listed in Hong Kong shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (the "Recognized Clearing House") or its nominee, the form of transfer may be signed by hand or in a machine- imprinted format.

All instruments of transfer shall be deposited with the legal address of the Company, address of the share registrar of the Company or such places as the Board may designate from time to time.

Article 29 The Company shall not accept its own shares as the subject matter of a pledge.

Article 30 Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed and traded on the stock exchange.

The Directors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than twenty-five percent of the total number of their shares of the same class in the Company per annum during their terms of office as determined upon appointment; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Where laws, administrative regulations, the CSRC, or the Hong Kong Listing Rules contain other provisions regarding the transfer of shares held by shareholders in the Company, such provisions shall prevail.

Chapter 6 Financial Assistance for Purchase of Company Shares

Article 31 The Company or its subsidiaries (including associated entities of the Company) shall not, by way of a gift, advance, guarantee, loans, providing financial assistance to others for acquiring shares of the Company or its parent company, except where the Company implements an employee share ownership plan.

For the benefit of the Company, upon resolution of the shareholders' meeting or resolution of the Board of Directors made in accordance with these Articles of Association or the authorization of the shareholders' meeting, the Company may provide financial assistance to others for the acquisition of shares in the Company or its parent company. However, the cumulative total amount of such financial assistance shall not exceed ten percent of the total issued share capital. A resolution of the Board of Directors shall be passed by a majority of two-thirds or more of all directors.

Where the Company or its subsidiaries (including affiliated enterprises) engage in the conduct described in this Articles of Association, they shall comply with the provisions of laws, administrative regulations, and the rules of the securities exchange where the Company's shares are listed.

Chapter 7 Share Certificates and Register of Shareholders

Article 32 The share certificates of the Company shall be in registered form.

The following shall be specified in the Company's share certificates:

(1) the name of the Company;

(2) the date on which the Company was established or the time of the share issuance;

(3) the class and par value of the shares and the number of shares represented;

(4) the serial number of the share certificates;

(5) other matters needed to be specified as required by the Company Law and the securities regulatory authorities of the place where the Company's shares are listed;

(6) where the equity of the Company includes shares without voting rights, the words "non-voting shares" must appear in the designation of such shares;

(7) where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

The overseas listed shares issued by the Company may take the form of overseas depositary receipt or other derivative forms of share certificate in accordance with laws and securities registration and depository practice of the place where the Company's shares are listed.

Article 33 During the period when overseas listed shares are listed on the Hong Kong Stock Exchange, the Company must ensure that documents related to overseas listed shares include the statements as follows, and the Company shall instruct and procure its share registrar not to register the subscription, purchase or transfer of shares in the name of any individual holder unless and until he/she submits properly executed forms related to such shares to the share registrar which shall include the statements as follows:

(1) the share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the requirements of the Company Law and other relevant laws, administrative regulations and the Articles of Association.

(2) the share purchasers and the Company and each of the shareholders agree that the shares of the Company may be freely transferred by the holder thereof.

(3) the share purchasers authorize the Company to enter into a contract on their behalf with each of the Directors, General Manager (President) and other senior management members. Pursuant to the contract, the Directors, General Manager (President) and other senior management members undertake to observe and fulfill their responsibilities to the shareholders under the Articles of Association.

Article 34 In case of paperless issuance and trading of the shares of the Company, where share signing is applied, provisions otherwise provided by the Securities Regulatory Authorities, the stock exchange(s) in the place where the Company's shares are listed shall apply.

Article 35 The Company shall maintain a register of shareholders, the shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company.

Subject to the Articles of Association and other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names (titles) being listed in the register of shareholders.

Transfer of shares shall be recorded in the register of shareholders.

Where two or more persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

(1) the Company shall not need to register more than four persons as joint shareholders of any shares;

(2) the joint holders of any share shall jointly and individually assume the liabilities for all amounts payable for relevant share;

(3) where any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the Board may, for the purpose of modifying the register of shareholders, require the provision of a death certificate of the relevant shareholder as it deems appropriate;

(4) for joint shareholders of any share, only the person whose name stands first in the register of shareholders shall be entitled to receive such certificate of the relevant share or receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. Where there are more than one joint shareholders present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;

(5) where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

Article 36 The register of holders of overseas listed shares shall be open for inspection by shareholders, but the Company is permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

Article 37 Where there are laws, regulations and provisions provided by the Securities Regulatory Authorities in the place(s) where the securities of the Company are listed in respect of the period for closure for transfer of shares prior to the date of a shareholders' meeting or the record date of the Company for determining entitlement to distributions, such provisions shall prevail.

Article 38 When the Company convenes a shareholders' meeting, distributes dividends, commences liquidation or participates in other activities requiring the recognition of the identification of shareholders; the Board or the convener of shareholders' meeting shall determine the record date. The shareholders included in the register of shareholders at the close of business on record date shall be the entitled shareholders.

Chapter 8 Rights and Obligations of Shareholders

Article 39 A shareholder of the Company is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of shareholders.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

If the shareholder of the Company is a legal entity, the rights shall be enforced by its legal representative or a proxy of such legal representative.

Article 40 The ordinary shareholders of the Company shall enjoy the following rights:

(1) the right to obtain dividends and other profit distributions in proportion to their shareholdings;

(2) the right to request, call, convene, preside over, attend or appoint proxies to attend shareholders' meetings and to speak at shareholders' meetings and exercise the corresponding voting rights;

(3) the right to supervise the Company's operation, to present proposals or to raise enquires;

(4) the right to transfer, donate or pledge shares in his/her possession in accordance with laws, administrative regulations and provisions of the Articles of Association;

(5) to access, copy the Articles of Association, the register of members, minutes of the shareholders' meeting, resolutions of the Board of Directors and financial and accounting reports;

(6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;

(7) with respect to shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

(8) other rights under laws, administrative regulations, departmental rules, listing rules of the place(s) where the shares of the Company are listed and these Articles of Association.

Article 41 The shareholders of the Company shall have the following obligations:

(1) to abide by laws, administrative regulations and these Articles of Association;

(2) to pay share capital for the shares subscribed for in the prescribed method of subscription;

(3) except as otherwise provided by laws and regulations, withdrawal of the share capital shall not be permitted;

(4) not to abuse shareholder's right to prejudice the interests of the Company or other shareholders; not to abuse the independent status of legal person of the Company or shareholder's limited liability to prejudice the interests of the creditors of the Company. Shareholders of the Company who abuse their shareholder's rights and thereby causing loss to the Company or other shareholders shall be liable for compensation according to the law. Where shareholders of the Company abuse the independent status of legal person of the Company and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

(5) to fulfill other obligations as stipulated by laws, administrative regulations and these Articles of Association.

Article 42 The controlling shareholders and the de facto controllers, Director, senior management of the Company shall not use the related (connected) relations to prejudice the interests of the Company; otherwise, they shall be liable for compensation for the loss suffered by the Company.

The controlling shareholders and the de facto controllers of the Company owe fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise his/her rights as a capital contributor in strict compliance with laws. The controlling shareholders shall not make use of methods such as the distribution of profits, restructuring of assets, external investments, misappropriation of assets, borrowing or loan guarantees to prejudice the legitimate interests of the Company and other shareholders, and shall not make use of their controlling positions to prejudice the interests of the Company and other shareholders.

Chapter 9 Shareholders' Meetings

Article 43 The shareholders' meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

(1) to decide the Company's operational policies and investment plans;

(2) to elect the Directors and decide on the remunerations of Directors;

(3) to examine and approve reports of the Board of Directors;

(4) to examine and approve the proposed annual financial budgets, final accounts, balance sheets, profit statements and other financial statements of the Company;

(5) to examine and approve the profit distribution plans and loss recovery plans of the Company;

(6) to examine and approve the annual reports of the Company;

(7) to make resolutions on the increase or reduction of the registered capital of the Company as well as issuance of any classes of shares, warrants, and other similar securities;

(8) to make resolutions on the merger, division, dissolution, liquidation or change in the form of the Company;

(9) to make resolutions on the issuance of corporate bonds and other securities and listing of the Company;

(10) to make resolutions on the engagement, removal, or discontinuance of engagement of accounting firms which handles the Company's audit services;

(11) to amend the Articles of Association;

(12) to examine the proposals by the shareholders severally or jointly holding three percent or more of the voting shares of the Company;

(13) to examine the matters relating to the purchases and disposals of the Company's material assets within one year with an amount exceeding thirty percent of the Company's latest audited total assets;

(14) to examine and approve the external guarantees stipulated in Article 44 of Article of Association that shall be approved by the shareholders' meeting;

(15) review and approve matters concerning changes in the use of raised funds;

(16) to examine the share incentive schemes and employee share ownership plan;

(17) to examine other matters required to be resolved at the shareholders' meeting pursuant to laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or provisions of the Articles of Association.

The shareholders' meeting can authorize or entrust the Board to handle the matters

authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of the place where the Company's shares are listed are not violated.

The shareholders' meeting may authorize or entrust the Board to handle the matters authorized or entrusted thereby, including but not limited to handling the following matters at the shareholders' meeting:

1. subject to the applicable laws, regulations and listing rules, to grant the Board the general mandate to issue, allot and deal with additional overseas listed shares not exceeding 20% (or other proportions as stipulated by applicable laws, regulations and listing rules) of the overseas listed shares issued; and to authorize the Board to make corresponding amendments to the Articles of Association as it thinks appropriate, so as to reflect the new capital structure upon allotment or issuance of shares.

2. to authorize the Board to, within the cap amount of bonds issuance and based on the needs of production, operation, capital expenditure and market conditions, determine the specific items and relevant matters of issuing debt financing instruments such as domestic short-term financing bills, medium-term notes, corporate bonds and overseas USD bonds, including (but not limited to), within the aforesaid scope, determining the amount, interest rate, term, target subscribers, use of proceeds of bonds actually issued and preparing, signing and disclosing all necessary documents.

Article 44 Guarantee made by the Company in other enterprises or guarantees provided to others shall be decided by resolutions of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Company's Articles of Association.

The following external guarantees by the Company shall be subject to approval by the shareholders' meeting, unless the guarantee is exempted from shareholders' approval under the listing rules of the stock exchange where the Company's shares are listed:

(1) any guarantee provided after the aggregate amount of external guarantees by the Company and its controlled subsidiaries exceeds fifty percent of the most recent audited net assets;

(2) any guarantee provided after the aggregate amount of the Company's external guarantees exceeds thirty percent of the most recent audited total assets;

(3) guarantees provided by the Company to others within one year that exceed thirty percent of the Company's most recent audited total assets;

(4) guarantees provided to entities with a debt-to-asset ratio exceeding seventy percent;

(5) individual guarantees exceeding ten percent of the most recent audited net assets;

(6) guarantees provided to shareholders, actual controllers, and their affiliated parties.

When the shareholders' meeting is considering a proposal to provide guarantee for any shareholder, de facto controller(s) or its related (connected) party, the shareholder or shareholders controlled by the de facto controller(s) shall not participate in voting on the proposal, and the proposal shall be passed by other attending shareholders holding majority of the voting rights. The voting result of non-related (non-connected) shareholders shall be adequately disclosed in the announcement of the resolutions at the shareholders' meeting.

If a Director, General Manager (President) and any other senior management member violates the requirements on the approval authority and consideration procedures for external guarantees as specified in laws, administrative regulations or the Articles of Association, thereby causing the Company to suffer a loss, he or she shall be held liable for compensation, and the Company may institute a legal action against him or her according to the laws.

Article 45 In addition to the situation that the Company is in crisis or other special circumstances, the Company shall not enter into contracts with a party (other than a Director, the General Manager (President) and other senior management members) in relation to handover of the administration of all business or the important business of the Company to that party without the approval of the shareholders' meeting by special resolution.

Article 46 The shareholders' meetings consist of annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once every year within six months from the end of the previous accounting year.

The extraordinary shareholders' meeting shall be convened as and when necessary. In the occurrence of any of the following events, the Board of Directors shall convene an extraordinary shareholders' meeting within two months:

(1) when the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;

(2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;

(3) when shareholder(s) individually or jointly holding ten percent or more of the Company's issued shares carrying voting rights request(s) in writing to convene an extraordinary shareholders' meeting (the number of shares held shall be the figure as at the date of the written request from the shareholder);

(4) when deemed necessary by the Board;

(5) when the audit committee proposes a meeting;

(6) any other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

Article 47 Where an annual shareholders' meeting is convened by the Company, shall be given twenty days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting by the convener, as well as the time and venue of the meeting; where an extraordinary shareholders' meeting is convened by the Company, shall be given fifteen days prior to the convening of the meeting to notify all the registered shareholders of the matters to be considered at the meeting by the convener, as well as the time and venue of the meeting. The Company shall issue the aforementioned notices through announcements. Provided that such measures do not violate laws, regulations, or the relevant laws and regulations of the listing jurisdiction, the Company may utilize online and other electronic communication methods to facilitate shareholder participation in shareholders' meetings. Shareholders participating in shareholders' meetings via online and other electronic communication methods may cast votes through modern information technology means such as online voting platforms, and such participation shall be deemed attendance.

Article 48 When a shareholders' meeting is convened by the Company, the Board, audit committee and shareholders who individually or jointly hold three percent or more of the shares of the Company, shall be entitled to make proposals to the Company.

Shareholders, who individually or jointly hold three percent or more of the shares of the Company, may submit ad hoc proposals in writing to the convener ten days before the convening of the shareholders' meeting. The convener shall issue a supplemental notice of the shareholders' meeting within two days upon receipt of the proposals announcing the content of ad hoc proposals and submitting it to the shareholders' meeting for deliberation. However, this shall not apply if the ad hoc proposal violates laws, administrative regulations, or the Company's Articles of Association, or falls outside the scope of authority of the shareholders' meeting.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the shareholders' meeting, shall neither modify the proposals stated in the notice of shareholders' meetings nor add new proposals.

The contents of proposals shall fall within the terms of reference of the shareholders' meeting and have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations and provisions of these Articles of Association.

The shareholders' meeting shall not vote or resolve on any proposals which are not contained in a notice of the shareholders' meeting or are not in compliance with the above paragraph herein.

Article 49 Notice of a shareholders' meeting shall be in writing and including the following:

(1) time, venue and duration of the meeting;

(2) matters and proposals for consideration at the meeting;

(3) a prominent statement that all shareholders are eligible for attending the shareholders' meeting and are entitled to appoint proxies in writing to attend and vote at such meeting on his/her behalf, and that such proxy does not need to be a member of the Company;

(4) the record date for shareholders who are entitled to attend the shareholders' meeting;

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

(6) the voting time and voting procedures for online voting or other means of voting;

(7) other requirements stipulated in the laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed.

Article 50 Unless otherwise specified herein, the notice of the shareholders' meeting shall be served on the shareholders in such other manner stipulated in Article 137 of these Articles of Association (whether or not such shareholder is entitled to vote at the shareholders' meeting).

Article 51 The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting solely or the resolutions passed thereat.

Article 52 All shareholders whose names appear on the register of shareholders on the shareholding record date or their proxies are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws, regulations, listing rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders may attend the shareholders' meeting in person or appoint proxies to attend and vote on their behalf.

Individual shareholders attending meetings in person shall present their valid identification documents or other valid credentials proving their identity. Those attending meetings as proxies shall present their valid identification documents and a shareholder authorization letter.

Corporate shareholders shall be represented at meetings by their legal representative or an agent authorized by the legal representative. When the legal representative attends the meeting, they shall present their personal identification and valid documentation proving their status as legal representative. When an agent attends the meeting, the agent shall present their personal identification and a written power of attorney issued in accordance with the law by the legal representative of the corporate shareholder entity.

If the shareholder is a corporation, an authorized clearing house or its agent, such shareholder is entitled to appoint one or more persons it deems suitable or corporate representatives to act as its proxy(ies) in any shareholders' meeting or any meeting of creditors, and these proxies or representatives shall have the same statutory rights as other shareholders, including the right to speak and to vote. If one or more persons is/are appointed as proxy(ies), the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The power of attorney shall be subject to the signature of the appointer of the corporation or authorized clearing house. The proxies so appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the corporation or authorized clearing house (or its agent) as if that proxy is an individual shareholder of the Company, including the right to speak and to vote.

Article 53 The power of attorney issued by a shareholder authorizing another person to attend the shareholders' meeting shall specify the following:

(1) Name or title of the principal, type and quantity of shares held in the Company;
(2) Name or title of the proxy;
(3) Specific instructions from the shareholder, including instructions to vote in favor of, against, or abstain on each agenda item listed for the shareholders' meeting;
(4) Date of issuance and validity period of the proxy;
(5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

Article 54 The proxy form shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify not less than twenty-four hours prior to convening of the meeting at which the relevant matters will be voted on, or twenty-four hours before the designated voting time. If the principal authorizes any other person to sign the proxy form, the power of attorney or other authorization shall be notarized. The notarized power of attorney or other authorization must be delivered to the domicile of the Company or such other places specified in the notice of the meeting together with the proxy form.

If the principal is a corporation, its legal representatives or any other person authorized by its Board of Directors or other governing body shall attend the shareholders' meeting of the Company as a representative.

Article 55 Any proxy forms issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the proposals according to his/her free will, and instructions shall be given in respect of each single matter to be voted on at the meeting. The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, the proxy may vote as he/she thinks fit.

Article 56 If the principal dies, loses capacity, withdraws his/her appointment or the authorization to execute the appointment or if relevant shares in respect of which the proxy is given are transferred before voting, the voting made by the proxies according to the proxy form shall remain valid, provided that the Company has not received any written notice in respect of such matters before the commencement of the meeting.

Article 57 Resolutions of the shareholders' meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a shareholders' meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.

Special resolution at a shareholders' meeting shall be adopted by two-thirds or more of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.

Shareholders attending a shareholders' meeting (including their proxies) shall expressly specify whether they are in favor of or against any matter which is being voted for. Any abstention vote or waiver of voting shall be deemed as "abstain". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain". The abstention vote shall be regarded as valid votes when the Company counts the votes in respect of the relevant matter.

Article 58 Shareholders (including their proxies) who vote at a shareholders' meeting shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. However, shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

Each voting right may only be exercised through one of the following methods: in person, online, or any other method permitted by the Listing Rules. In the event of duplicate votes cast for the same voting right, the result of the first vote shall prevail.

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 shall abstain from voting on any particular resolution or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction cast by such shareholder or proxy thereof shall not be counted in the voting results.

Article 59 Where a poll is required by relevant regulations of securities regulatory authority at the location where the shares of the Company are listed, the chairman of the meeting may, in the spirit of fairness and honesty, allow voting by a show of hands with respect to resolutions relating merely to procedure or administrative issues.

In the case of a poll, the Company shall appoint a scrutinizer for counting votes in accordance with the Hong Kong Listing Rules and shall disclose relevant votes as required by laws, administrative regulations, relevant regulatory authority or the Hong Kong Listing Rules.

Article 60 When the number of votes against and in favor are equal, either by a show of hands or by a poll, the chairman of the meeting shall be entitled to an additional vote.

Article 61 The following matters shall be resolved by way of ordinary resolutions at a shareholders' meeting:

(1) work reports of the Board;

(2) profit distribution plan and loss recovery plan formulated by the Board;

(3) appointment and dismissal of the members of the Board, and remuneration and payment methods thereof;

(4) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations or these Articles of Association.

Article 62 The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

(1) increase or reduction of registered capital of the Company and issue of shares of any class, stock warrants or other similar securities;

(2) issuance of corporate bonds;

(3) division, split, merger, dissolution, liquidation or change in the form of the Company;

(4) amendments to these Articles of Association;

(5) purchase or disposal of major assets or the provision of security to others by the Company within one year with the value exceeding thirty percent of the latest audited total assets of the Company;

(6) share incentive schemes;

(7) other matters as determined by an ordinary resolution at shareholders' meetings that will have a material impact on the Company and accordingly shall be approved by a special resolution;

(8) matters requiring approval by special resolutions in accordance with laws, administrative regulations, listing rules of the stock exchange on which the shares of the Company are listed or these Articles of Association.

If at any time the share capital of the Company is divided into different classes of Shares, the Company intends to vary or abrogate rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution of the separate shareholders' meeting convened by the affected class shareholders.

Article 63 The shareholder(s) individually or jointly holding ten percent or more of the Company's total voting shares may require convening an extraordinary shareholders' meeting, and shall follow the procedures below:

(1) the shareholder(s) individually or jointly holding more than ten percent of the Company's total voting shares may sign one or several written requests with the same format and content, to propose to the Board to convene an extraordinary shareholders' meeting, and specify the topics of the meeting. The Board shall provide written feedback within ten days after receipt of the aforesaid written request, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. The aforesaid amount of shareholding is calculated based on the shareholding on the day when the shareholder(s) make the written request.

(2) where the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the meeting within five days after adopting the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholder(s). If the Board of Directors disagree to convene an extraordinary shareholders' meeting, or fails to respond within ten days of receiving the request, shareholder(s) holding individually or collectively more than ten percent of the Company's shares may propose to the audit committee to convene an extraordinary shareholders' meeting. Such proposal shall be submitted to the audit committee in writing. If the audit committee agrees to convene the extraordinary shareholders' meeting, it shall issue a notice of the meeting within five days of receiving the proposal. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholder(s). If the audit committee fails to issue notice of a shareholders' meeting within the prescribed time limit, it shall be deemed that the audit committee has not convened and presided over the shareholders' meeting. The shareholder(s) holding more than ten percent of the Company's shares, individually or jointly, for more than ninety consecutive days may convene and preside over a meeting by themselves, and the convening procedures shall be as similar as possible to the procedures by which the Board convenes a shareholders' meeting.

Where the audit committee or shareholders convene and preside over a meeting by themselves as the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred therefrom shall be borne by the Company and deducted from the amounts due from the Company to the defaulting Directors.

Article 64 The shareholders' meeting shall be convened by the Chairman of the Board, who shall also act as the chairman of the meeting. If the Chairman is unable or fails to perform his duties, the co-chairman shall convene and act as the chairman of the meeting. In the event that the Chairman and co-chairman are both unable or fail to perform their duties, over half of the Directors may elect a Director to convene and act as the chairman of the meeting.

If the Board is unable or fails to perform the duty of convening a shareholders' meeting, the audit committee shall duly convene and preside over a shareholders' meeting; if the audit committee fails to convene and preside over a shareholders' meeting, the shareholders individually or jointly holding ten percent or more of the Company's shares for more than ninety consecutive days shall have the right to convene and preside over a shareholders' meeting.

A shareholders' meeting convened by the audit committee itself shall be presided over by the audit committee convener. Where the convener of the audit committee is unable or fails to fulfil the duty thereof, a majority of the audit committee members shall jointly elect a audit committee members to preside over.

A shareholders' meeting convened by the shareholders themselves shall be presided over by the convener or a representative elected by the convener. In the event that no chairman is so elected, the attending shareholders shall elect one person to act as the chairman of the meeting; if, for any reason, the shareholders fail to elect a chairman of the shareholders' meeting, the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders shall be the chairman of the shareholders' meeting.

When a shareholders' meeting is convened, if the chairman of the meeting contravenes the Rules of Procedure, rendering the meeting impossible to proceed, with the consent from more than half of the attending shareholders with voting rights, one person may be nominated at the shareholders' meeting to serve as the chairman and the meeting may proceed.

Where the audit committee or shareholders convene a shareholders' meeting by themselves in accordance with the provisions, the necessary expenses incurred therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent Directors.

Article 65 The methods and procedures to nominate candidates for Directors (excluding Employee Representative Directors) for election at a shareholders' meeting are as follows:

(1) shareholder(s) individually or jointly holding three percent or more of the total issued and outstanding voting shares of the Company may propose in writing to the shareholders' meeting for the nomination of candidates for non-employee representative Directors, but the number of persons nominated shall comply with the provisions of the Articles of Association and shall not exceed the number of persons to be elected. The aforesaid proposal by the shareholders to the Company shall be given to the Company no less than seven days prior to the date of convening the shareholders' meeting.

(2) the list of candidates for Directors may be nominated by the Directors based on the number for persons to be elected subject to the number specified in the Articles of Association, and proposed to the Board of Directors for review. The list of candidates for Directors shall be proposed to the shareholders' meeting by way of written proposal after being considered and adopted by resolutions by the Board of Directors.

(3) the written notices of the intention to nominate a candidate for non-employee Representative Directors and the acceptance of nomination by such candidate and the written information of the nominated candidate, shall be given to the Company no less than seven days prior to the date of convening the shareholders' meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the shareholders' meeting). The Board of Directors shall provide shareholders with the biographical details and basic information of the candidates for Directors.

(4) The Company grants nominees for Director candidates and submission of the aforesaid notices and documents by the nominees (which period shall commence from the day following the issue date of the notice of shareholders' meeting) shall be no less than seven days.

(5) voting for the election of each candidate for a Director shall be carried out separately in the shareholders' meeting.

(6) where there is a need to fill the casual vacancy of Director, the Board of Directors shall submit a proposal to the shareholders' meeting for the election or change of a Director.

Article 66 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand that the votes counting immediately after the announcement of the voting result, and the chairman of the meeting shall have the votes counted immediately.

Article 67 In the event that the votes are counted at the shareholders' meeting, the counting results shall be recorded in the minutes of the meeting.

The Board of Directors shall keep minutes of its resolutions on the matters discussed at the shareholders' meeting. Chairman of the meeting and Directors, who attended the meeting, shall sign on the minutes of that meeting. The minutes of meeting together with the attendance record of the attending shareholders, the power of attorney of the proxies, the valid data on voting conducted via electronic communication and other means shall be kept.

The minutes of the shareholders' meeting shall be prepared by the Board secretary and shall record the following:

(1) the date, time, location, agenda, and name of the convening party;

(2) the name of the meeting chairperson and the names of Directors and senior management attending the meeting;
(3) the number of shareholders and proxies present, the total number of shares represented by their voting rights, and the proportion of the Company's total shares represented;
(4) the deliberation process, key points of discussion, and voting results for each proposal;
(5) shareholders' inquiries or suggestions and the corresponding responses or explanations;
(6) the names of the legal counsel, vote counters, and scrutineers;
(7) other matters required to be included in the minutes under these Articles of Association.

Chapter 10 Board of Directors

Section 1 Directors

Article 68 Directors shall be elected or replaced, and may be removed from office by the shareholders' meeting before the expiration of their term at the shareholders' meeting with a term of three years. A Director may serve consecutive terms if re-elected upon the expiry of his/her term.

The chairman and co-chairman shall be elected and removed by more than one half of all the Directors. The chairman and co-chairman shall serve a term of three years and may be re-elected upon the expiry of his/her term.

A Director need not hold any shares in the Company.

Article 69 The term of office of a Director shall be calculated from the date when such Director takes office, until the expiry of the term of the Board of Directors. If no re-election is timely conducted upon the expiry of the term of office of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles of Association until a newly elected Director takes office.

Article 70 A shareholders' meeting may remove a Director (including the Managing Director (President) or other Executive Directors) before expiry of his/her term of office by an ordinary resolution subject to compliance with relevant laws and administrative regulations, but it shall not prejudice such Director's right to claim for compensation under any contract.

Article 71 A Director may request to resign prior to the expiry of his/her term of office. If a Director resigns, such Director shall tender in writing a letter of resignation to the Board of Directors.

If the number of members of the Board of Directors falls below the statutory minimum number because of the resignation of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles of Association until a newly elected Director takes office. The remaining Directors shall convene a shareholders' meeting at the earliest opportunity to elect a new Director to fill the vacancy caused by such resignation.

Other than the circumstances specified in the preceding paragraph, the resignation of a Director shall take effect upon receipt of the resignation by the Board of Directors.

Subject to the Company Law and other provisions of the laws and regulations in the PRC, the provisions of the laws and regulations and related regulatory rules of the place where the Company is listed, if the Board of Directors fills the temporary vacancy by appointing a new Director or as an addition to the existing Board of Directors, he/she shall hold office only until the first annual shareholders' meeting by the shareholders and shall then be eligible for re-election at that meeting.

Article 72 If no re-election is timely conducted upon the expiry of the term of office of a Director, the existing Director shall continue to perform his/her duties as a Director in accordance with relevant laws, administrative regulations, department rules and the provisions of these Articles of Association until a newly elected Director takes office.

Article 73 If a Director fails to attend any two consecutive meetings of the Board of Directors in person or by appointing other Directors to attend such meetings on his/her behalf, such Director shall be deemed incapable of performing his/her duties, and the Board of Directors shall make recommendation to a shareholders' meeting for replacement.

Article 74 If the Company suffers any losses due to a Director who withdraws from his/her office without authorization prior to the expiry of his/her term of office or violates the laws, administrative regulations, department rules and the provisions of these Articles of Association while performing his/her duties, such Director shall be liable to compensate.

Article 75 Without any legal authorization by these Articles of Association or the Board of Directors, no Director shall use his/her own capacity to act on behalf of the Company or the Board of Directors. If any third parties reasonably believe that a Director acts on behalf of the Company or the Board of Directors while such Director acts in his/her own capacity, such Director shall make a prior statement as to his/her position and capacity.

Article 76 The Company shall appoint independent Directors who shall comprise no less than one-third of the Board of Directors and shall be no less than three.

The powers and duties and relevant matters relating to independent Directors shall be executed in accordance with relevant laws, administrative regulations, department rules and the provisions of the listing rules of the stock exchange where our shares are listed, and the election and appointment of an independent Director shall meet the independence requirement of the Hong Kong Listing Rules. Unless otherwise specified herein, the provisions on qualification and obligations for Directors set out in Chapter 13 of these Articles of Association shall apply to independent Directors.

Independent Directors of the Company shall comprise at least one financial professional or professional accountant.

Independent Directors shall faithfully execute their duties and protect the Company's interests, especially ensuring that the legal rights and interests of public shareholders will not be infringed and the interests of all shareholders will be adequately represented.

Article 77 An independent Director may request to resign prior to the expiry of his/her term of office.

Section 2 The Board of Directors

Article 78 The Company shall have a Board of Directors which consists of seven Directors with one chairman and three independent Directors, at least one employee representative Director and co-chairman may also be appointed.

Employee representatives on the Board of Directors shall be democratically elected by the Company's employees through employee representative conferences, employee assemblies, or other forms.

Independent Directors may report to the shareholders' meeting and other related regulatory departments directly.

The General Manager (President) or other senior management may also concurrently act as Director, provided that the number of General Manager (President) or other senior management who hold the offices of Director and Directors serving as employee representatives shall not be more than half of the total number of Directors of the Company.

Article 79 The Board of Directors shall be accountable to the shareholders' meeting and exercise the following powers and duties:

(1) to convene a shareholders' meeting and submit a work report to such meeting;

(2) to implement the resolutions of a shareholders' meeting;

(3) to decide on the operation plan and investment scheme of the Company;

(4) within the scope of authorization granted by the shareholders' meeting, decide on matters such as the Company's external investments, acquisition and disposal of assets, asset pledges, external guarantees, entrusted asset management, related (connected) transactions, and external donations;

(5) to prepare the profit distribution plan and loss recovery plan of the Company;

(6) to prepare the plan for the Company to increase or reduce its registered capital, issuance of bonds or other securities and listing plans;

(7) to prepare plans for major assets acquisition and disposal, repurchase of the shares of the Company or the merger, divisions, dissolution and changes of the form of the Company;

(8) to decide on the establishment of the internal management organizations of the Company;

(9) to appoint or remove the General Manager (President) and Secretary of the Board (and joint company secretaries) and other senior management personnel of the Company, and determine matters concerning their compensation and rewards and punishments; to appoint or remove senior management members, such as Vice General Manager (Vice President) and Chief Financial Officer of the Company pursuant to the nominations of the General Manager (President); and to decide on the remuneration and rewards and penalties of them;

(10) to establish a basic management system of the Company;

(11) to prepare plans to amend these Articles of Association;

(12) management of Company information disclosure matters;

(13) propose to the shareholders' meeting the appointment or replacement of the accounting firm to audit the Company;

(14) review the manager's work report and inspect the manager's performance;

(15) to prepare share incentive schemes;

(16) to approve the matters in relation to investment, acquisition or disposal of assets, financing and related (connected) transactions as required by the listing rules of the stock exchange where our shares are listed;

(17) to decide on other major matters of the Company except for those as

required by relevant laws, administrative regulations, departmental rules, the listing rules of the stock exchange where our shares are listed and the provisions of these Articles of Association to be passed by resolutions at the shareholders' meetings;

(18) to exercise other functions and powers conferred by relevant laws, administrative regulations, the listing rules of the stock exchange where our shares are listed, these Articles of Association or the shareholders' meetings.

Resolutions relating to the above, with the exception of items (6), (7) and (11) which shall be approved by not less than two-thirds of the Directors, shall be approved by not less than half of the Directors.

Where the Articles of Association or the shareholders' meeting authorizes the Board of Directors to decide on the issuance of new shares, the Board resolution shall be adopted by a vote of more than two-thirds of all Directors.

Article 80 The chairman shall exercise the following functions and powers:

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

(2) to procure and check the implementation of resolution of the Board of Directors;

(3) to sign on securities issued by the Company and other important documents;

(4) other functions and powers authorized by the Board of Directors or the listing rules of the stock exchange where our shares are listed;

When the chairman is unable to or does not carry out his/her duties, the co-chairman shall perform the duties of chairman; when the co-chairman is unable to or does not carry out his/her duties, they shall be carried out by one Director nominated by more than one half of the Directors.

Article 81 Board meetings include regular meetings and extraordinary meetings. Meetings of the Board of Directors shall be held at least four times a year and convened by chairman of the Board. A notice shall be delivered at least fourteen days prior to the regular Board meeting and at least five days prior to the extraordinary board meeting; and the required period of notice above may be waived upon consent of each Director of the Company. Where an extraordinary board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall give explanations at the meeting.

The chairman shall convene the extraordinary meeting of the Board of Directors within ten days upon receipt of the proposal in any of the following circumstances:

(1) proposal of shareholders holding one-tenth or more of the voting rights;

(2) proposal of one-third or more of the Directors jointly;

(3) proposal of the audit committee;

(4) when the chairman considers necessary;

(5) proposal of one half or more of the independent Directors.

Any major matters to be decided by the Board of the Company shall be notified to all Directors within the required period under the Articles of Association and sufficient data shall be supplied at the same time in strict compliance with the required procedures. The Directors may request for supplementary data. If more than one-fourth of the Directors or more than two independent Directors believe they cannot make judgements on relevant matters because the provided information is inadequate or otherwise, they may jointly propose to postpone the meeting or defer the discussion of certain matters on the agenda of the meeting, and the Board of Directors shall accept such proposal.

Article 82 The Board shall send the notice of a regular or extraordinary meeting by hand, e-mail, fax or phone.

When a Director has attended a meeting, he/she shall be deemed to have been served with a notice of the meeting if he/she fails to state he/she did not receive the notice of the meeting before or during the meeting.

Regular meetings or extraordinary meetings of the Board of Directors may be held by way of teleconference, video conference or similar communication equipment. The Directors attending a meeting by such means shall be deemed to be present at the meeting in person provided all Directors present at the meeting can hear and communicate with each other.

Unless otherwise specified by laws and regulations or the listing rules, the Board of Directors may adopt a written resolution to replace the Board meeting. A written resolution shall be deemed to be passed upon signature of Directors of proper proportion and quorum for a Board of Directors stipulated by laws and regulations and the Articles of Association. Such written resolutions shall be filed together with Board meeting minutes and other archives of the Company, and shall have the same binding force and validity as the resolutions made by Directors attending Board meetings in person.

Article 83 The Board meeting shall not be held unless a majority of the Directors (including the Directors who are entrusted to attend the meeting as stipulated in Article 84 of the Articles of Association) are present.

Each Director shall have one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by more than one half of the Directors of the Company. Where the number of votes for and against a resolution is the same, the chairman shall be entitled to an additional vote.

Resolutions in respect of related (connected) transactions made by the Board of the Company shall come into effect only after they are signed by the independent Directors. When the Board of Directors of the Company considers any related (connected) transaction matters, the related (connected) Directors shall abstain from voting and shall not vote on behalf of other Directors. If less than three non-related (connected) Directors attend the Board meeting, the transaction shall be submitted to the shareholders' meeting for consideration. Related (connected) Directors shall include Directors who fall into any of the followings: (1) the counterparty of a transaction; (2) owning direct or indirect control over the counterparty of a transaction; (3) holding a position in the counterparty or a legal person or other organization directly or indirectly controlling or controlled by such counterparty; (4) a close family member of the counterparty or the person who has direct or indirect control over the counterparty; (5) a close family member of any Director or senior management of the counterparty or the person who has direct or indirect control over the counterparty; (6) a person which is considered to be able to affect the independent commercial judgment of the Company for other reasons as determined by the Company.

Article 84 The Directors shall attend the Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. Such power of attorney shall specify the name of the proxy, matters, the scope of authorization and the validity period and signed or stamped by the attorney.

The Director that attends the meeting on behalf of another Director shall exercise the rights of a Director to the extent of the authorization given. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

Section 3. Board Specialized Committees

Article 85 The Company's Board of Directors shall establish an audit committee to exercise the powers of the supervisory board as stipulated in the Company Law.

Article 86 The audit committee consists of three members, all of whom are Directors who do not hold senior management positions within the Company. Among them, at least two are independent directors, with the role of convener being held by an independent director who is a professional accountant.

Article 87 The audit committee is responsible for reviewing the Company's financial information and disclosures, overseeing and evaluating internal and external audit work, and assessing internal controls. The following matters shall be submitted to the Board of Directors for deliberation only after obtaining the approval of a majority of all audit committee members:

(1) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;

(2) hiring or dismissing the accounting firm responsible for the Company's audit services;

(3) appoint or dismiss the Company's chief financial officer;

(4) changes in accounting policies or accounting estimates, or corrections of significant accounting errors, made for reasons other than changes in accounting standards;

(5) other matters stipulated by laws, administrative regulations, the rules of the securities exchange where the Company's shares are listed, and these Articles of Association.

Article 88 The audit committee shall meet at least once per quarter. Special meetings may be convened upon the request of two or more members, or when deemed necessary by the convener. A quorum for audit committee meetings shall consist of two-thirds or more of its members.

Resolutions of the audit committee shall be adopted by a majority vote of its members.

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

Minutes of the audit committee meeting shall be prepared as required, and members of the audit committee present at the meeting shall sign the minutes.

The Board of Directors is responsible for establishing the audit committee's working procedures.

Article 89 The Board of Directors consists special committees, namely Nomination Committee, Remuneration and Appraisal Committee and Risk Management Committee. In accordance with these Article of Association and the authority granted by the Board of Directors, the proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The responsibilities, personnel composition and terms of reference of which shall be resolved separately by the Board. Where necessary, the Board may establish other special committees. These special committees are ad hoc committees under the Board which provide advice or advisory opinions to the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board.

Independent Directors shall constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee, and shall serve as conveners of these committees. However, where the competent authorities of the State Council or the stock exchange where the Company's shares are listed have separate provisions regarding the conveners of specialized committees, such provisions shall prevail.

Article 90 The Board and its special committees shall keep minutes of resolutions on matters discussed at meetings. Sufficient details of the matters considered and the decisions resolved at the meeting shall be recorded in the minutes, which shall include any concerns or dissenting views raised by the Directors. Draft and final versions of minutes of meetings shall be sent to all Directors for their comment and record within a reasonable time after each Board meeting.

The minutes of the meeting shall be signed by the Directors and recorder present at the meeting. The minutes of the meeting shall be kept as archives of the Company by the Secretary of the Board or his/her authorized representatives.

The Directors shall be responsible for the resolutions of the Board of Directors. Where a resolution of the Board of Directors is in violation of laws, administrative regulations or these Articles of Association, resolution of shareholders' meeting, thereby causing serious losses to the Company, the Directors who took part in the resolution shall be liable for the damages suffered by the Company. However, where a Director can prove that he/she expressed his/her opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, the Director shall be relieved from such liability.

The Independent Directors' opinions shall be set out in the resolutions of the Board of Directors.

Chapter 11 Secretary of the Board of the Company

Article 91 The Company shall have one Secretary of the Board of Directors, who is a senior management member of the Company.

Article 92 The Secretary of the Board of the Company shall be a natural person with prerequisite professional knowledge and experience and be engaged or dismissed by the Board of Directors. The main duties of Secretary of the Board are:

(1) to ensure that the Company has a complete set of constitution documents and records;

(2) to ensure that the Company prepares and submits the reports and documents required by competent authorities according to the laws;

(3) to ensure that the register of shareholders of the Company is properly created and the persons entitled to obtain the relevant records and documents of the Company obtain such records and documents promptly;

(4) to be responsible for matters such as preparation for shareholders' meetings and Board meetings, maintenance of documents and management of shareholders' information of the Company;

(5) to handle information disclosures and other matters.

(6) to exercise other functions and powers as conferred by the Board as well as other functions and powers as required by the stock exchange of the place where the Company's shares are listed.

Article 93 Any Directors or other senior management members of the Company may serve concurrently as the Secretary of the Board of the Company. The accountants of the accounting firm engaged by the Company shall not serve concurrently as the Secretary of the Board of the Company.

In the case of a Director serving concurrently as the Secretary of the Board of the Company, if an act should be made separately by a Director and the Secretary of the Board of the Company, the Director serving concurrently as the Secretary of the Board of the Company shall not make such an act in both capacities.

Chapter 12 General Manager (President) and Other Senior Management

Article 94 The Company shall have one General Manager (President) who shall be appointed or dismissed by the Board of Directors.

The Company shall have several Vice General Managers (Vice Presidents) and one Chief Financial Officer who shall be appointed or dismissed by the Board as nominated by the General Manager (President). Upon approval of the Board of the Company, a Director may serve concurrently as the General Manager (President) and other senior management.

The General Manager (President), Vice General Managers (Vice Presidents), Chief Financial Officer and Secretary of the Board of the Company are senior management of the Company. The General Manager (President) and other senior management shall serve a term of three years for each session and may serve consecutive terms if re-elected.

Article 95 The General Manager (President) shall be accountable to the Board of Directors and exercise the following duties:

(1) to take charge of the operation and management of the Company, organize the implementation of resolutions of the Board of Directors and report to the Board of Directors;

(2) to organize the implementation of the annual business plan and investment scheme of the Company;

(3) to draft the plan for the establishment of an internal management organization of the Company;

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

(5) to formulate the basic rules and regulations of the Company;

(6) to propose to the Board of Directors for the appointment or dismissal of the Vice General Managers (Vice Presidents) and Chief Financial Officer of the Company;

(7) to decide to appoint or dismiss executives other than those who shall be appointed or dismissed by the Board;

(8) to perform other powers and duties authorized by the Articles of Association or the Board of Directors.

The General Manager (President) may present at the Board meetings but shall have no voting right if he/she is not a Director.

Article 96 In exercising his/her functions and powers, the General Manager (President) of the Company shall fulfill the obligation of honesty and diligence in accordance with laws, administrative regulations and the Articles of Association.

Chapter 13 Qualifications and Obligations of Directors, General Manager (President) and Other Senior Management Members of the Company

Article 97 A person may not serve as a Director, General Manager (President) or other senior management member of the Company if any of the following circumstances apply:

(1) a person without legal capacity or with restricted legal capacity;

(2) a person who has committed corruption, bribery, infringement of property, misappropriation of property or sabotaging socialist market economic order and has been punished for committing such offence; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the end of such punishment or deprivation, for those granted probation, the period shall not exceed two years from the date of completion of the probationary period;

(3) a person who is a former Director, factory manager or General Manager (President) of a company or enterprise, which has entered into insolvent liquidation and who incurred personal liability for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(4) a person who is a former legal representative of a company or enterprise, which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license order to close;

(5) a person who has a relatively large amount of overdue debts may be designated as discredited persons subject to enforcement by the People's Court;

(6) being under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective;

(7) publicly designated by a stock exchange as unfit to serve as a director or senior executive of a listed company, with the designation period not yet expired;

(8) other contents as required by laws, administrative regulations or departmental rules that such a person as specified in the listing rules or the laws and rules of the stock exchange where the Company’s shares are listed.

For any election and appointment of a director in contravention of the provisions prescribed by this article, such election, appointment or employment shall be void and null. Where a director falls into any of the aforesaid circumstances in his/her term of office, the Company will dismiss the duties of such director and suspend their duties.

Article 98 Directors or other senior management members shall comply with the laws, administrative regulations and these Articles of Association owe a duty of loyalty to the Company, take measures to avoid conflicts between their personal interests and those of the Company, and shall not use their authority to seek improper benefits.

Directors and senior management personnel and shall fulfill the fiduciary obligation to the Company as follows:

(1) not to exploit their duties and powers to solicit bribes or accept other illegal income;

(2) not to embezzle the Company's assets, not to misappropriate the Company's funds;

(3) not to store the Company's funds in its personal name or in other personal names;

(4) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting, no person shall engage in self-operated business or operate business for others that is similar to that of the Company.

(5) no contracts or conduct transactions with the Company entering without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution passed by the Board of Directors or the shareholders' meeting in accordance with the provisions of these Articles of Association, either directly or indirectly;

(6) not to take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or others, except where such opportunities are reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or where the Company is unable to utilize such business opportunities pursuant to laws, administrative regulations, or the provisions of these Articles of Association;

(7) not to accept any commissions in relation to transactions between the Company and others as personal ownership;

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

(9) not to use the related (connected) relations to prejudice the interests of the Company;

(10) other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and these Articles of Association.

Any proceeds obtained by Directors or other senior management members in violation of the provisions of this article shall belong to the Company; if any damage is caused to the Company, they shall be liable for compensation. Close relatives of Directors and senior management personnel, enterprises directly or indirectly controlled by Directors, senior management personnel, or their close relatives, and other related parties with other affiliations to Directors or senior management personnel shall comply with the provisions of Paragraph 2(5) of this Article of Association when entering into contracts or conducting transactions with the Company.

Article 99 Directors, senior management shall comply with laws, administrative regulations and these Articles of Association, and owe a duty of diligence to the Company. In performing their duties, they shall exercise the reasonable care ordinarily expected of a prudent manager in the best interests of the Company.

Directors, senior management bear the following responsibilities of diligence to the Company:

(1) shall exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;

(2) shall be fair to all shareholders;

(3) to timely understand the business operations and management of the Company;

(4) shall sign a written confirmation to the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;

(5) shall provide the status reports and information to the audit committee honestly, and not to hinder audit committee from exercising their powers;

(6) other responsibilities of diligence stipulated in the laws, administrative regulations, departmental rules, listing rules of the Company's stock exchange and these Articles of Association.

Article 100 The Company shall establish a management system for Directors' resignation, specifying safeguards for pursuing accountability and compensation for unfulfilled public commitments and other outstanding matters. Upon the effective date of resignation or expiration of term, Directors shall complete all handover procedures with the Board of Directors. Their fiduciary duties to the Company and shareholders shall not automatically terminate upon the conclusion of their term but shall remain effective for a reasonable period as stipulated in these Articles of Association. Liabilities arising from the performance of duties during a Director's tenure shall not be exempted or terminated upon resignation.

Article 101 The Company shall enter into written contracts with each Director and senior management members, which shall at least include the following provisions:

(1) the Directors or senior management shall undertake to the Company to abide by the Company Law, the Company's Articles of Association and Code on Takeovers and Mergers and Code on Share Buy-backs approved (amended from time to time) by Hong Kong Securities and Futures Commission and other rules of Hong Kong Stock Exchange, and agree that the Company will be entitled to take remedies specified in the Articles of Association, and the contract and its position shall not be transferred;

(2) the Directors or senior management shall undertake to the Company on behalf of each shareholder, to abide by and perform their obligations to shareholders provided by the Articles of Association.

Article 102 The contract relating to the emoluments between the Company and its Directors should provide that in the event that the Company is acquired, the Directors of the Company shall, subject to the prior approval of shareholders in a shareholders' meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. For the purpose of this paragraph, the acquisition of the Company includes any of the following:

(1) an offer made by any person to all the shareholders;

(2) an offer made by any person with a view to become a controlling shareholder.

If such Directors do not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum on a pro rata basis among such persons shall be borne by such Directors and shall not be paid out of such sum.

Chapter 14 Financial Accounting System and Distribution of Profits

Article 103 The Company shall establish its financial and accounting system in accordance with relevant laws and administrative regulations, and the relevant provisions of the State Council.

Article 104 The Company shall prepare a financial report at the end of each fiscal year, and such financial report shall be audited by an accounting firm in compliance with laws. The financial report of the Company shall include the following financial accounting statements and their respective breakdowns:

(1) balance sheet;
(2) profit and loss statement;
(3) cash flow statement;
(4) notes to financial accounting statements;
(5) profit distribution statement.

The fiscal year of the Company is based on the Gregorian calendar year, that is, a fiscal year ranges from January 1 to December 31 of the Gregorian calendar. The Company's account books are kept in RMB and Chinese.

Article 105 The Board of Directors of the Company shall submit the financial report prepared by the Company under relevant laws, administrative regulations and normative documents issued by local government and competent authorities to shareholders at each annual shareholders' meeting.

Article 106 The financial report of the Company shall be kept at the Company and shall be made available to the shareholders twenty days before the annual shareholders' meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.

The Company shall send the report mentioned above or the report of the Board of Directors together with the balance sheet (including all documents which are required to be attached to the balance sheet under the laws) and profit and loss statement or statement of income and expenditure to each holder of overseas listed shares by prepaid mail at least twenty-one days before the convening of the annual shareholders' meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of shareholders. The company may publish it electronically or on the website designated by the stock exchange at the location where the company's shares are listed in accordance with the relevant requirements of laws, administrative regulations, departmental rules, normative documents and the listing rules of the stock exchange at the location where the company's shares are listed.

Article 107 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the Company's shares are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to financial statements. In distributing its after-tax profits of relevant fiscal year, the lower of the two amounts shown in the foregoing financial statements shall be adopted.

Article 108 Any interim results or financial information published or disclosed by the Company must also be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or those of the place outside the PRC where the Company's shares are listed.

Article 109 The Company shall publish two financial reports in each fiscal year; the interim financial report shall be published within sixty days after the end of the first six months of a fiscal year; the annual financial report shall be published within one hundred and twenty days after the end of the fiscal year.

Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.

Article 110 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 111 The Company shall, when distributing its after-tax profits of the year, withdraw ten percent of the profits into the Company's statutory reserve fund. The Company may not withdraw a statutory reserve fund if the cumulative amount has reached fifty percent or more of the Company's registered capital.

If the Company's statutory reserve fund could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing, according to the foregoing provision, the statutory reserve fund.

After the Company has withdrawn the statutory reserve fund from the after-tax profits, the Company may also withdraw discretionary statutory reserve fund from the after-tax profits upon the approval of the shareholders' meeting.

After losses have been covered and the statutory reserve fund has been allocated, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

Where the shareholders' meeting distributes profits to shareholders before losses have been covered and the statutory reserve fund has been allocated, which is in violation of the foregoing provision, the shareholders concerned shall refund to the Company the profits distributed in violation of the foregoing provision.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 112 Capital reserve includes the following:

(1) premium arising from issuance exceeding the nominal value of the stock;

(2) other revenues required by the financial authority under the State Council to be stated as capital reserve.

Article 113 Reserves of the Company may be applied towards the following objectives:

(1) making up for losses. When making up for the Company's losses, both discretionary and statutory reserves are first utilizes. If a deficit remains, capital reserves may be used in accordance with regulations;

(2) conversion into capital. In the case of conversion of statutory reserves into capital through capitalization, the balance of the statutory reserves shall not be less than twenty-five percent of the registered capital of the Company prior to the conversion;

(3) expansion of the Company's production and operation.

Article 114 The Company shall appoint collection agents for holders of overseas listed shares. The collection agents shall, on behalf of the related shareholders, collect distributed dividends and other payables by the Company for the overseas listed shares.

The collection agents appointed by the Company shall be in compliance with the requirements of the laws or local stock exchange at the place where the shares of the Company are listed.

The collection agents appointed by the Company for holders of overseas listed shares, which are listed in Hong Kong, shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.

The Company may exercise the power to cease sending dividend warrants to holders of overseas listed shares by post if such warrants have been left uncashed for two consecutive times. Nevertheless, the Company may exercise such power after the first occasion on which such undelivered warrants are returned.

The Company may sell the shares held by a holder of overseas listed shares who is untraceable in such ways as the Board of Directors thinks fit, provided that the following conditions shall be complied with:

(1) at least three dividends have been distributed in respect of such shares during the period of 12 years, and no dividend has been claimed by the shareholder during that period; and

(2) upon the expiry of the 12-year period, the Company shall make an announcement in one or more newspapers at the place where the shares of the Company are listed stating the Company's intention to sell the shares, and notify the Hong Kong Stock Exchange of such intention.

Subject to the relevant laws and regulations in China, the Company may exercise its right to confiscate any unclaimed dividends, provided that such right may only be exercised upon the expiry of the relevant time frame.

Interests shall accrue on any stock capital paid with respect to any shares of the Company before any capital calls have been made by the Company but the holders of the shares shall not be entitled to participate in any dividends distributed subsequent to the prepayment of such stock capital.

Chapter 15 Appointment of an Accounting Firm

Article 115 The Company shall appoint an independent firm of accountants, which is qualified under relevant national regulations to audit the Company's annual financial report and review other financial reports of the Company.

The first accounting firm of the Company may be appointed by the inaugural meeting before the first annual shareholders' meeting and the term of appointment of the accounting firm shall end at the close of the first annual shareholders' meeting.

If the inaugural meeting does not exercise its duties and powers in accordance with the aforementioned provisions, then the Board of Directors shall exercise its duties and powers.

Article 116 The accounting firm appointed, terminated by the Company shall be determined at the shareholders' meeting. The accounting firm appointed by the Company shall hold office from the conclusion of the annual shareholders' meeting at which it was appointed until the conclusion of the next annual shareholders' meeting.

Article 117 The accounting firm appointed by the Company shall have the following rights:

(1) a right to access the account books, records or vouchers at any time, and to ask Directors, General Manager (President) or other senior management of the Company to provide relevant documents and explanations;

(2) a right to require the Company to take all reasonable actions to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;

(3) a right to be present at a shareholders' meeting and to receive notices of, and information relating to, any shareholders' meeting, which any shareholder is entitled to receive, and to speak at any shareholders' meeting for matters in relation to its capacity as the Company's accounting firm.

Article 118 If there is a vacancy in the position of auditor of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the shareholders' meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.

Article 119 Regardless of the terms in the contract concluded between the accounting firm and the Company, the shareholders' meeting may, through an ordinary resolution, resolve to dismiss the said accounting firm before the expiration of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

Article 120 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the shareholders' meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

Article 121 Where it is proposed that any resolution be passed at a shareholders' meeting concerning the appointment of an accounting firm, which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, the re-appointment of a retiring accounting firm, which was appointed by the Board to fill a casual vacancy, or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply:

(1) a copy of the appointment or removal proposal shall be sent to the accounting firm, which is proposed to be appointed or dismissed or which has left its post in the relevant accounting year before the notice of the shareholders' meeting is given to the shareholders.

The leaving of an accounting firm includes the removal, resignation and retirement of such firm.

(2) if the accounting firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations have been received after the prescribed time) take the following measures:

1. state the fact that the retiring accounting firm has made such representations in any notice of the resolution given to shareholders; and

2. attach a copy of the representations to the notice and deliver it to the shareholders entitled to receive notices of shareholders' meetings in the manner stipulated in these Articles of Association.

(3) if the Company fails to send out the representations of the accounting firm in the manner set out in item (2) of this Article, such accounting firm may require that the representations be read out at the shareholders' meeting and may make a further appeal.

(4) the leaving accounting firm shall be entitled to attend the following meetings:

1. the shareholders' meeting at which its term of office expires;

2. the shareholders' meeting at which it is proposed to fill the vacancy caused by its removal; and

3. the shareholders' meeting, which is convened as a result of its resignation.

The leaving accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

Article 122 In dismissing or discontinuing the appointment of an accounting firm, the Company shall notify the said accounting firm in advance and the said accounting firm has the right to make representations to the shareholders at a shareholders' meeting. If an accounting firm resigns from the post, it shall clarify to the shareholders at a shareholders' meeting whether or not there is any improper affair in the Company.

An accounting firm may resign its office by depositing a written resignation notice at the Company's legal address. Such notice shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

(1) a statement to the effect that there are no circumstances connected with its resignation, which it considers should be brought to the notice of the shareholders or creditors of the Company; or

(2) a statement of any other circumstances requiring an explanation.

The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant responsible department within fourteen days after receipt. If the notice contains a statement as mentioned in item (2) of the preceding paragraph, a copy of such statement shall be placed at the Company for the inspection of shareholders. The Company shall also send the said copy of such statement to each shareholder entitled to receive financial reports of the Company. The addresses of addressees shall be those registered in the register of shareholders.

If the notice of resignation of the accounting firm contains a statement referred to in item (2) under the second paragraph of this Article, the accounting firm may require the Board to convene an extraordinary shareholders' meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

Chapter 16 Merger and Division of the Company

Article 123 The merger or division of the Company shall be proposed by the Board of Directors and shall go through the relevant approval process according to the law after being approved by the procedures required by these Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company's merger and division for shareholders' inspection.

The aforesaid documents shall be delivered by mail or as otherwise permitted by the Hong Kong Stock Exchange to each holder of overseas listed shares.

Article 124 Merger of the Company may take the form either merger by absorption or merger by establishment of a new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and checklists of properties. The Company shall notify its creditors within ten days from the date of the Company's resolution on merger and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within thirty days.

Upon the merger, the respective accounts payable and receivable will be inherited by the continuing company or the newly formed company after the merger.

Article 125 As for the division of a company, the properties thereof shall be divided accordingly.

In the event of a division, the parties to the division shall prepare balance sheets and checklists of properties. The Company shall notify its creditors within ten days from the date of the Company's resolution on division and shall make announcements in newspapers or on the National Enterprise Credit Information Publicity System within thirty days.

Debts owed by the Company prior to the division shall be jointly assumed by the companies in existence after the division, save as otherwise agreed by written agreement on settlement of debts with creditors prior to the division.

Article 126 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Chapter 17 Dissolution and Liquidation of the Company

Article 127 The Company shall be dissolved and liquidated according to laws in any of the following circumstances:

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

(2) merger or division of the Company requires a dissolution;

(3) the business license is revoked in accordance with the law, or the Company is ordered to close or is cancelled;

(4) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other means, the shareholders holding ten percent or more of the total voting rights of the Company may request the People's Court to dissolve the Company;

(5) the term of its operations specified in these Articles of Association has expired and other circumstance for dissolution specified in these Articles of Association has occurred.

Where the Company encounters the dissolution circumstances specified in the preceding paragraph, it shall disclose such circumstances through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstances specified in subparagraphs (1) or (5) of paragraph 1 of this Article of Association and has not yet distributed its assets to the shareholders, it may continue to exist by amending these Articles of Association or through a resolution of the shareholders' meeting.

Any amendment to these Articles of Association or resolution adopted by the shareholders' meeting pursuant to the preceding paragraph shall be approved by a majority of two-thirds or more of the voting rights held by shareholders present at the shareholders' meeting.

Article 128 Where the Company is dissolved under the circumstances set out in items (1), (3), (4) and (5) of the preceding article, it shall undergo liquidation. The Directors shall be the persons responsible for the Company's liquidation. The Company shall establish a liquidation committee within fifteen days from the date the grounds for dissolution arise, the composition of the liquidation committee shall be determined by ordinary resolution at the shareholders' meeting.

Where a Company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Article 129 The liquidation committee shall notify all creditors within ten days after its establishment and shall publish announcements in newspapers or on the National Enterprise Credit Information Publicity System within sixty days. The creditors shall declare their rights to the liquidation committee within thirty days after receipt of the notice or within forty-five days after the announcement if the creditors have not received the notice.

When submitting their claims, creditors shall explain matters relating to their rights and provide evidential documents. The liquidation committee shall register the creditor's rights.

In the creditor's rights declaration period, the liquidation committee shall not make repayment to the creditors.

Article 130 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(1) to examine and take possession of the Company's assets and prepare the balance sheet and a property inventory;
(2) to inform creditors by notice or announcement;
(3) to deal with the outstanding businesses of the Company relating to liquidation;
(4) to pay outstanding taxes;
(5) to settle claims and debts;
(6) to dispose of the remaining assets of the Company after repayment of debts;
(7) to represent the Company in civil proceedings.

Article 131 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the shareholders' meeting or People's Court for confirmation.

The assets of the Company shall be used to pay the liquidation expenses, employees' salaries, social insurance expenses and statutory compensations, payment of outstanding taxes, payment of the Company debts.

The assets of the Company remaining after settlement shall be distributed to the shareholders as per the classes of their shares and their shareholding percentages.

During the liquidation period, the Company remains in existence; however, it shall not commence any business activity unrelated to the liquidation.

The Company's assets shall not be distributed to shareholders prior to settling debts pursuant to the foregoing provision.

Article 132 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the People's Court the Company bankrupt liquidation in accordance with the law.

After the People's Court accepts a bankruptcy petition, the liquidation committee shall hand over all matters relating to the liquidation to bankruptcy administrator appointed by the People's Court.

Article 133 After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the same to the shareholders' meeting or the People's Court for confirmation, and deliver to the company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's dissolution.

Chapter 18 Amendments to these Articles of Association

Article 134 The Company may amend the Articles of Association pursuant to laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Article 135 The Company shall amend its Articles of Association according to the following procedures:

(1) The Board of Directors shall first approve the resolution on amendments to the Articles of Association and formulate amendments to the Articles of Association;

(2) The Board of Directors shall convene a shareholders' meeting to vote on the amendment to the Articles of Association;

(3) The shareholders' meeting makes a special resolution on passing the amendments to the Articles of Association;

(4) The Company shall report the amended Articles of Association to the company registration authority for record.

Article 136 Any amendment to these Articles of Association passed by a resolution at a shareholders' meeting shall be filed with the original competent authorities for approval if it is so required; if such amendments involve any registered particulars of the Company, application shall be made for change of registration in accordance with laws.

Chapter 19 Notices

Article 137 Notices of the Company shall be served by the following methods:

(1) by hand;
(2) by mail;
(3) by facsimile or e-mail;
(4) by announcement on the website designated by the Company and the Hong Kong Stock Exchange in accordance with the laws, administrative regulations and listing rules of the stock exchange at the location where the Company's shares are listed;
(5) by announcement;
(6) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
(7) by other means approved by the relevant regulatory authority at the location where the Company's shares are listed or stipulated in the Articles of Association.

In respect of the manner in which the Company provides and/or distributes corporate communications to shareholders as required by the Hong Kong Listing Rules, subject to compliance with the relevant provisions of laws, regulations, normative documents and the securities regulatory rules at the location where the Company is listed, the Company is required to (1) send or otherwise make available the corporate communications to the relevant holders of its securities in electronic form, or (2) publish the corporate communications through the Company's website and the website of the Hong Kong Stock Exchange (the Company should indicate on its website how it adopts (1) and/or (2) the manner in which the company communicates).

Shareholders of the Company may also choose in written form to obtain a printed copy of the above corporate communication by post. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a shareholders' meeting and other information set out in the Hong Kong Listing Rules.

Unless the context otherwise requires, "announcement" referred to herein means the publication on the media that meet the conditions prescribed by the CSRC as to the announcement made to holders of Domestic Shares or the announcement required to be published in the PRC according to the relevant provisions and the Articles of Association. In respect of the announcement sent to holders of overseas listed shares of the Company or required to be sent in Hong Kong pursuant to relevant regulations and the Articles of Association, the announcement shall be issued in accordance with the requirements of the Hong Kong Listing Rules or other applicable regulations.

Article 138 If the notice is sent by post, it is only required to specify the address and prepaid postage and put the notice in the envelope, and putting the envelope enclosing the said notice into the mailbox shall be deemed as sending out the notice, and the notice shall be deemed as served forty-eight hours after it is sent out.

Chapter 20 Miscellaneous

Article 139 The term "or more", "within", "below", as stated in these Articles of Association shall all include the given figure; the term "over", "not exceeding", "except", "less than", "more than" shall all exclude the given figure.

In these Articles of Association, references to "accounting firm" shall have the same meaning as "auditors".

In these Articles of Association, references to "de facto controller" refers to that although such controller is not a shareholder of the Company, he/she is a natural persons, legal persons, or other organizations who can actually dominate the Company through investment relations, agreements or other arrangements.

In these Articles of Association, references to "related (connected) transaction" shall have the meaning ascribed to it under the Hong Kong Listing Rules.

Article 140 These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language, the Chinese version of these Articles of Association shall prevail.

Article 141 The Board shall be responsible for the interpretation of these Articles of Association. Any matters unspecified in these Articles of Association shall be decided by resolutions of the shareholders' meeting by the Board.