

**Yangzhou Guangling District Taihe Rural Micro-finance
Company Limited**

ARTICLES OF ASSOCIATION

January 2018

*Note: This is an unofficial English translation and is for reference only. In case of discrepancies, the Chinese version shall prevail over its English revision.

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CHAPTER 1 GENERAL

Article 1 Yangzhou Guangling District Taihe Rural Micro-finance Company Limited(揚州市廣陵區泰和農村小額貸款股份有限公司) (the “Company”) is a joint stock limited liability company established under the Company Law of the People’s Republic of China (the “PRC”) (the “Company Law”) and other relevant laws and regulations of the PRC. These Articles of Association are formulated pursuant to the Company Law, the Securities Law of PRC (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Liability Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (the “Mandatory Provisions”), the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函) (the “Letter of Opinions”) and other relevant laws and regulations of the PRC.

On 12 November 2008, Yangzhou Hanjiang District Taihe Rural Micro-finance Company Limited (揚州市邗江區泰和農村小額貸款有限公司) was established upon approval by the Pilot Leading Group for Rural Micro-finance Organizations of Jiangsu Province (江蘇省農村小額貸款組織試點工作領導小組) and obtained the Enterprise Business License (registration number: 321027000084991) issued by the Administration for Industry and Commerce of the Hanjiang District of Yangzhou. On 10 August 2012, the Company was converted into a joint stock limited liability company upon approval by Yangzhou City People’s Government Financial Affairs Office (揚州市人民政府金融工作辦公室) and obtained the Enterprise Business License (Registration number: 321027000084991) issued by the Administration for Industry and Commerce of Yangzhou, Jiangsu Province. The existing shareholders of the Company are: Jiangsu Botai Group Co., Ltd. (江蘇柏泰集團有限公司), Jiangsu Liantai Fashion Shopping Mall Real Estate Co., Ltd. (江蘇聯泰時尚購物廣場置業有限公司), Bai Li (柏莉), Lv Shuyi (呂書儀), Zuo Yuchao (左玉潮), Li Yunzhen (李雲珍) and Zhou Yinqing (周吟青).

Article 2 The registered Chinese name of the Company: 揚州市廣陵區泰和農村小額貸款股份有限公司.

The English name of the Company: Yangzhou Guangling District Taihe Rural Micro-finance Company Limited

Article 3 Domicile of the Company: Beizhou Road, Lidian Town.

Postal code: 225000

Telephone number: 0514-87948990

Fax number: 0514-87948990

Article 4 The legal representative of the Company is the chairman of the board of directors (the “Board”).

Article 5 The term of business operation of the Company is thirty years.

Article 6 The Company is an independent enterprise. All acts of the Company shall be in compliance with the requirements of the laws, regulations and regulatory documents of the PRC and shall protect the lawful rights and interests of shareholders. The Company is governed and protected by the laws, regulations and regulatory documents of the PRC.

Article 7 These Articles of Association were passed by the general meeting of the Company and approved by the relevant departments of PRC and take effect from the date of listing of the overseas listed foreign share on the Stock Exchange of Hong Kong Limited and replaced the Articles of Association and its amendment at the registration in Administration for Industry and Commerce.

From the effective date of these Articles of Association, these Articles of Association shall become a legally-binding document which regulates the Company’s organization and acts, the rights and obligations between the Company and shareholders and amongst the shareholders.

Article 8 These Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager and other senior management, with such personnel being entitled to claim for rights on matters relating to the Company in accordance with these Articles of Association.

Without prejudice to the provisions of Article 190 and in accordance with these Articles of Association, shareholders may sue the Company, the Company may sue shareholders, one shareholder may sue other shareholders and shareholders may sue the Company's directors, supervisors, general manager and other senior management.

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

Article 9 The Company may invest in other limited liability companies and joint stock companies, and liabilities in such investees are limited to the amount of its capital contribution.

The Company may invest in other enterprises. However, it shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises invested, unless otherwise provided for by law.

Article 10 The total capital of the Company is divided into equal shares. Each shareholder is responsible to the Company up to the shares held by him/her/it. The Company is responsible for its debts up to its total assets.

Article 11 The Company's employees may, in accordance with the Trade Union Law of the PRC, form trade unions and carry out trade union activities to protect their legal rights. The Company shall provide necessary support to such activities. The trade union of the Company shall enter into contracts with the Company on behalf of the employees of the Company collectively in accordance with the law in relation to, among other things, the labour remuneration, working hours, welfare, insurance, labour safety and hygiene of the employees.

The Company shall exercise democratic management through employees' representatives' meeting or other means in accordance with the provisions of the Constitution and other relevant laws.

The Company shall seek advices from the trade union before making any material decision on its reform and operation and formulation of rules and regulations and shall convene employees' representatives' meeting or by other means collect opinions and suggestions of the employees.

Article 12 The Company shall formulate its systems in respect of labour management, personnel management, wages and welfare and social insurance in accordance with the laws, regulations and relevant administrative rules of the PRC.

The Company shall adopt employment-basis system for its various levels of management staff and contract-basis system for normal staff. The Company may, at its own direction, determine its staff allocation and employ or dismiss management staff and normal staff in accordance with the provisions of relevant laws and regulations and contracts.

The Company shall have the right to decide on, at its own direction, the wage incomes and welfare benefits of the management personnel at all levels and employees of all categories in light of its economic benefits and within the scope prescribed by relevant administrative rules and regulations.

CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE

Article 13 The operational objectives of the Company are: sticking to the purpose of serving “Agriculture, Rural Areas and Farmers”, adhering to the principle of carrying on “Small and Diverse” operations, upholding the characteristics of providing “Diversified, Flexible and Fast” services and insisting upon the philosophy of managing risks via regulated operations.

Article 14 The scope of business of the Company shall be subject to the items approved by the registration authorities of the Company. The scope of business of the Company are the granting of loans to “Agriculture, Rural Areas and Farmers”, provision of financial guarantees, acting as a financial institution agent and other businesses.

Article 15 The Company may change its scope of business and amend its articles of association in accordance with law upon registration of change with the Administration for Industry and Commerce of Yangzhou and upon approvals by shareholders at general meeting and by relevant competent authorities.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 16 The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by the authorities authorized by the State Council.

Article 17 The Company's shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

The RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

Article 18 The Company may issue shares to domestic investors and foreign investors upon approval by the China Securities Regulatory Commission.

For the purpose of the preceding paragraph, the term "foreign investors" shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term "domestic investors" shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 19 Domestic shares refer to the shares denominated in Renminbi issued by the Company to domestic investors. Foreign shares refer to the shares denominated in foreign currencies issued by the Company to foreign investors and the shares held by foreign investors which were transferred from domestic shareholders. Among foreign shares, those listed overseas are referred to as overseas listed foreign shares (those listed in Hong Kong can be referred to as H shares) and those not listed overseas are referred to as non-overseas listed foreign shares.

The term "foreign currency" in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by state foreign exchange authority and acceptable to pay for the shares.

Unless otherwise specified in these Articles of Association, holders of domestic shares and foreign shares are both holders of ordinary shares and shall have the same rights and obligations. The domestic shares and overseas listed foreign shares issued by the Company shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Article 20 The Company issued 450,000,000 ordinary shares to its promoters before the issuance of overseas listed foreign shares, accounting for 100% of the outstanding ordinary shares of the Company.

The current shareholding structure of the Company is as follows:

No.	Shareholder Name	Number of shares (in ten thousand)	Shareholding percentage (%)
1	Botai Group	24,020	53.38
2	Liantai Guangchang	18,990	42.20
3	Bai Li	1,000	2.22
4	Lv Shuyi	450	1.00
5	Zuo Yuchao	260	0.58
6	Li Yunzhen	210	0.47
7	Zhou Yinqing	70	0.15
	Total	45,000	100

Article 21 With the approval of the China Securities Regulatory Commission, the Company may issue 150,000,000 overseas listed foreign shares, and may allot additional overseas listed foreign shares not exceeding 15% of the said number according to the market condition.

With the approval of the China Securities Regulatory Commission, the shareholding structure of the Company as of the listing date is: 600,000,000 ordinary shares, of which other domestic shareholders hold 450,000,000 shares and overseas shareholder hold 150,000,000 shares.

Article 22 Subject to the approval of the plans of the Company to issue overseas listed foreign shares or domestic shares by the China Securities Regulatory Commission, the Board of Directors of the Company may arrange for a separate issuance of such shares. The Company may implement the plan of issuing overseas listed foreign shares and domestic shares separately within 15 months since it is approved by the China Securities Regulatory Commission.

Article 23 The Company shall complete issuing overseas listed foreign shares and domestic shares within the number fixed in the plan at one time; if this cannot be achieved due to exceptional circumstances, the Company may issue the same in several attempts upon the approval by the China Securities Regulatory Commission.

Article 24 Upon completing the issuance of the 150,000,000 overseas listed foreign shares by the Company as approved by the China Securities Regulatory Commission, the registered capital of the Company shall be RMB600 million.

Article 25 The Company may increase its capital for its business operation and development needs according to the provisions of its Articles of Association.

The Company may increase its capital through the following:

- (1) issue new shares to non-specified investors;
- (2) place new shares to existing shareholders;
- (3) issue bonus shares to existing shareholders;
- (4) other manners permitted under PRC laws and administrative regulations.

The Company's increase of capital by way of issuing new shares shall be in accordance with the laws and administrative regulations of China and with the approval according to the procedures as required by the Articles of Association.

Article 26 Unless otherwise specified by laws and regulations, the Company's shares is transferable and free from any encumbrances. Transfer of overseas listed foreign shares listed in Hong Kong requires to be registered by the share registrar in Honk Kong entrusted by the Company.

Article 27 The Company will not accept any pledge with its own shares as the subject.

Article 28 Shares held by promoters of the Company are not allowed to transfer within one year from the date of the establishment of the Company. The transfer of Shares issued before the initial public offering of the Company shall not be transferred with one year from the date on which shares of the Company are listed and traded on the stock exchange.

Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer in a given year during their terms of office more than 25% of the total number of shares of the Company which they hold. The shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their leaving the Company. The Listing Rules shall apply if the transfer restriction in this article is related to H shares.

CHAPTER 4 CAPITAL REDUCTION AND REPURCHASE OF SHARES

Article 29 The Company may reduce its registered capital according to the Articles of Association.

Article 30 The Company shall prepare a balance sheet and a list of assets when reducing its registered capital.

The Company shall notify its creditors within 10 days and make a public announcement on a newspaper within 30 days as of the date of the Company's resolution for reduction of register capital. A creditor shall have the right to require the Company to pay off debts or provide an appropriate guarantee to pay off debts within 30 days as of the date of receipt of the notice from the Company or within 45 days as of the date of the public announcement if not receiving the notice.

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

Article 31 The Company may repurchase its outstanding shares upon the approval by relevant competent authorities of China and according to the procedures set forth in the Articles of Association under the circumstances below:

- (1) Cancellation of shares for the purpose of reducing its capital;
- (2) Merging with other companies that hold shares in the Company;
- (3) Awarding shares to the employees of the Company;
- (4) Shareholders objecting to resolutions of the general meeting of shareholders concerning merger or division of the Company, requiring the Company to buy their shares.
- (5) Other circumstances permitted under PRC laws and administrative regulations.

Repurchase of the Company's shares for reasons set out in Clauses (1) to (3) of this Article shall be subject to resolution at a general meeting of shareholders. After the Company has repurchased its shares in accordance with Clause (1) of this Article, such shares shall be cancelled within 10 days after repurchase, or shall be transferred or cancelled within 6 months in the circumstances set out in Clauses (2) and (4).

Shares repurchased by the Company in accordance with Clause (3) of this Article shall not exceed 5% of the total shares issued by the Company; the repurchase funds shall be made out of the profit after tax of the Company; and the shares repurchased shall be transferred to employees within one year.

Article 32 As approved by relevant authorities, the Company may repurchase its shares by the following means:

- (1) by making a general offer to all of its shareholders for the repurchase of shares on a pro rata basis;
- (2) by open dealing on a stock exchange;
- (3) by an off-market agreement outside of the stock exchange.

(4) by other ways approved by regulatory authorities.

Article 33 If the Company repurchases its shares by concluding an off-market agreement outside of the stock exchange, it shall obtain prior approval at the general meeting pursuant to the Articles of Association. Upon approval in the same matter at the general meeting, the Company may discharge or amend the said agreement or waive any of its rights thereunder.

The off-market agreement for the repurchase of shares referred to in the preceding paragraph shall include (but not limited to) a document to become obliged to repurchase and acquire the right to repurchase shares of the Company.

The Company shall not assign the agreement for the repurchase of its shares or any rights thereunder.

For the redeemable shares which the Company has the right to repurchase:

- (1) the repurchase price shall not exceed the limitation of the highest price in the event that suchn repurchase is not through the market or through bidding;
- (2) in the event of repurchase through bidding, bidding shall be proposed equally to all the shareholders.

Article 34 After the Company repurchases shares in accordance with law, it shall cancel or transfer such shares in accordance with laws and administrative regulations, and shall apply to the original competent registration authorities for change in registered capital.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

Article 35 Unless the Company is undergoing liquidation, it shall repurchase its outstanding shares pursuant to the rules below:

- (1) Where the Company repurchases shares at par value, payment shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose;

- (2) Where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose. Payment of the portion in excess of par value shall be effected as follows:
- (i) if the shares being repurchased are issued at par value, payment shall be made from the surplus of its distributable profits;
 - (ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose, provided that the amount paid from the proceeds of such new issue shall not exceed the aggregate amount of the premiums received by the Company on issuance of the shares so repurchased or the balance of the Company's capital reserve account (including the premiums on the new issue) at the time of such repurchase.
- (3) The Company shall make payments with its distributable profits for the following expenses:
- (i) for acquisitions of rights to repurchase its own shares;
 - (ii) for the variation of any contract for the repurchase of its shares;
 - (iii) for release from its obligations under any repurchase contract;
- (4) After the total par value of the shares that are cancelled is deducted from the Company's registered capital, the amount equal to the par value of its shares deducted from its distributable profits shall go to the Company's capital reserve account.

CHAPTER 5 FINANCIAL ASSISTANCE FOR THE PURCHASE OF THE COMPANY'S SHARES

Article 36 The Company shall not offer any financial assistance to anyone who is acquiring or is proposing to acquire shares of the Company by any means at any time. The said purchaser of shares shall include a person who directly or indirectly assumes any obligations incurred for the acquisition of such shares.

The Company shall not, by any means at any time, provide any financial assistance to the said purchaser as referred to above for the purpose of limiting or discharging the obligations assumed by that person.

This Article shall not be applicable to the circumstances described in Article 38.

Article 37 The financial assistance described in this Chapter shall include but not limited to the means below:

- (1) Gifts;
- (2) Guarantees (including the guarantor to undertake the liability or offer assets to secure the obligor's performance of obligations), compensation (not including compensation arising out of the Company's own defaults), or release or waiver of any right;
- (3) Provisions of loans or any other agreements where the Company shall fulfil the obligations prior to other parties, or changes in the said loans or parties to agreements, or the assignment of the rights under such loans or agreements;
- (4) Any other financial assistance provided by the Company in the event that the Company is insolvent or possesses no net assets, or in the event that its net assets would thereby be reduced to a material extent.

For the purpose of this Chapter, "assuming any obligations" shall include obligations assumed by contract or any arrangement (whether enforceable or unenforceable, and whether made on its own account or with any other persons) or by any other means that result in a change in financial position.

Article 38 The following cases shall be exempted from Article 36 of this Chapter:

- (1) The provision of financial assistance by the Company where the financial assistance is provided in good faith in the best interests of the Company, and the principal purpose of which is not for the acquisition of shares, or the provision of financial assistance being an incidental part to a plan;
- (2) The lawful distribution of the Company's assets in the form of dividends;
- (3) The distribution of dividends in the form of shares;
- (4) A reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure effected according to the Articles of Association;
- (5) Provision of loans by the Company within its scope of business and in the ordinary course of the business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, financial assistance is provided from distributable profits);
- (6) The provision of monetary assistance for contributions to staff and workers' stock plans (provided that the net assets are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided from distributable profits).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 39 The share certificates of the Company shall be in registered forms.

In addition to the matters required by the Company Law and the Special Provisions, the share certificates of the Company shall also contain other matters required by the stock exchange(s) on which the shares are listed.

During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company must ensure that all of the documents relating to the title to the shares listed on the Hong Kong Stock Exchange (including H shares) include the statements as follows. The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of share in the name of any individual holder unless and until he submits such properly executed forms to the share registrars which shall include the statements as follows:

- (1) Agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Provisions and other laws, administrative regulations and the Articles of Association.
- (2) The purchaser of the shares and the Company, each of the shareholders, Directors, Supervisors, General Manager and other members of senior management of the Company, as well as the Company when acting on behalf of the Company and each director, supervisor, General Manager and other members of senior management, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or any rights and obligations stipulated in the Company Law and other Chinese laws and administrative regulations relating to the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.
- (3) The purchaser of the shares, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.

- (4) The purchaser of the shares authorizes the Company to reach an agreement on behalf of him with each of the directors, General Manager and other members of senior management to authorize such directors, General Manager and other members of senior management to comply with and perform their duties to the shareholders in accordance with the Articles of Association.

Article 40 Share certificates of the Company shall be signed by the Chairman of the Board of Directors. In the event that the stock exchange(s) on which the Company's shares are listed require the signatures of other members of senior management of the Company on the share certificates, the share certificates shall also be signed by such members of senior management. The share certificates shall be effective upon being affixed or printed with the seal of the Company or other securities seals specified. The share certificates shall only be sealed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Board or other members of senior management may be printed.

Article 41 The Company shall have a register of shareholders to record the following matters:

- (1) The name (title), address (residence), occupation or nature of business of each shareholder;
- (2) The number and class of the shares of each holder;
- (3) The payment made or payable amount for the shares of each holder;
- (4) The certificate numbers of the shares of each holder;
- (5) The date on which each shareholder is entered in the register as a shareholder of the Company;
- (6) The date on which each shareholder ceases to be a shareholder of the Company.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

Article 42 The Company may, pursuant to an understanding or agreement reached between China Securities Regulatory Commission and a securities regulatory organization outside the PRC, keep outside the PRC its register of holders of overseas listed foreign shares, and entrust the administration thereof to an agent outside the PRC. The original register of public shareholders of the overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of overseas listed foreign shares. The appointed agency outside the PRC shall ensure that the register of holders of overseas listed foreign shares and its duplicate are consistent at all times.

Where the original and duplicate of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 43 The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) A register kept at the Company's domicile other than those specified in Items (II) and (III) of this Article;
- (II) The register(s) of holders of overseas listed foreign shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;
- (III) Registers of shareholders kept in other places as the Board may decide necessary for listing of the Company's shares.

Article 44 The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept.

Article 45 All paid overseas listed foreign shares listed on Hong Kong Stock Exchange are freely transferable according to these Articles of Association. However, unless meeting the following conditions, the Board may decline to recognize any transfer instrument without giving any reasons:

- (I) A fee of two Hong Kong dollars or any higher fee as agreed by the Hong Kong Stock Exchange has been paid to the Company for registration of any instrument of transfer or any other document which is related to or will affect ownership of the shares;
- (II) The transfer instrument only involves overseas listed foreign shares listed in Hong Kong;
- (III) The due stamp duty for transfer instrument has already been paid;
- (IV) Relevant share certificate and such evidence as the Board may reasonably require to prove the transferor's right to transfer shares are lodged;
- (V) Transfer of any share to no more than four joint holders in the event that the shares are to be transferred to joint holders;
- (VI) The shares concerned are free of any lien in favour of the Company;
- (VII) No shares shall be transferred to minors, mentally disabled persons or any persons without legal capacity.

Article 46 Following share transfer, the name of the transferee shall be registered in the register of shareholders as holders of shares.

Article 47 All issue or subsequent transfer of H shares shall be registered in the register of shareholders maintained in Hong Kong in accordance with Article 42 of these Articles of Association.

Article 48 Any overseas listed foreign shareholder may transfer by the standard form of transfer of the place of listing or the form of transfer signed or bearing machine printed signatures all or any part of his shares; Transfer of the shares held by non-listed foreign shareholders is subject to the applicable laws and regulations of the PRC. All instruments of transfer shall be maintained at the legal address of the Company or addresses as the Board may designate from time to time.

Article 49 No changes resulting from shares transfer may be made to the register of shareholders within 30 days prior to a general meeting or 5 days prior to the reference date set by the Company for the purpose of distribution of dividends.

Article 50 When the Company calls for a general meeting, distributes its dividends, conducts liquidation or executes any other act requiring identification of shareholders, the Board shall fix the share registration date, at the end of which the shareholders in the register shall be shareholders of the Company.

Article 51 Any person that dissents from the register of shareholders and requires his name to be entered into or removed from the register may apply to a competent court for correction of the register.

Article 52 Any shareholder who is registered in the register of shareholders or requires his name to be registered in the register of shareholders may apply to the Company for a replacement certificate in respect of such shares (the “Relevant Shares”) if his share certificate (the “Original Share Certificate”) is lost. Applications by shareholders of domestic shares for the replacement of registered share certificates shall be dealt with in accordance with Article 143 of the Company Law.

Applications for the replacement of overseas listed foreign share certificates shall be dealt with in accordance with the laws, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas listed foreign shares is kept.

Where shareholders of overseas listed foreign shares of companies listed in Hong Kong apply for replacement of lost certificates, such replacement shall comply with the following requirements:

- (I) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reasons for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other persons may require registration as a shareholder in respect of the Relevant Shares;
- (II) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;
- (III) If the Company decides to issue a replacement share certificate to the applicant, it shall publish an announcement of its intention in the newspapers designated by the Board; the period of the announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days;
- (IV) Before publishing the announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days; If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the announcement that it intends to publish;
- (V) Upon expiry of the 90-day period specified in Items (III) and (IV) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant;

(VI) When the Company issues a replacement share certificate according to the requirements of this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders;

(VII) All expenses for the cancellation of the Original Share Certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

Article 53 After the Company has issued a replacement share certificate in accordance with the requirements of these Articles of Association, the name of a bona fide purchaser obtaining the replacement share certificate mentioned above or a shareholder who subsequently registers as the owner of the shares (provided that he is a bona fide purchaser) shall not be deleted from the register of shareholders.

Article 54 The Company shall not be liable for any damages suffered by any person from the cancellation of the Original Share Certificate or the issuance of the replacement share certificate, unless the claimant is able to prove fraudulent act on the part of the Company.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 55 The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been registered in the register of shareholders.

Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Shareholders of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

The Company shall not, for the reason that any direct or indirect beneficial owner does not disclose his interest to the Company, exercise any right to impair any right in the held shares by freezing or other ways.

Article 56 Holders of ordinary shares of the Company shall enjoy the following rights:

- (I) To receive dividends and profit distributions in other forms according to the number of shares held by them;
- (II) To participate in or appoint proxy to attend general meeting and exercise voting rights;
- (III) To supervise and manage, make suggestions or question the Company's operation;
- (IV) To transfer shares in accordance with laws, administrative regulations, the listing rules of stock exchange(s) where the shares of the company are listed and these Articles of Association;
- (V) To obtain relevant information in accordance with these Articles of Association, including:
 - 1. Obtaining these Articles of Association of the Company after payment of a charge to cover the costs;
 - 2. Having the right to access and make a copy, after payment of reasonable charges, of:
 - (1) all parts of the register of shareholders;
 - (2) personal information of the directors, supervisors and senior management of the Company, including: current and previous names and aliases; main address (domicile); nationality; full-time and all other part-time occupations and duties; identification credentials and their numbers.
 - (3) the status of the Company's share capital;
 - (4) reports of the aggregate par value, number and highest and lowest prices of each class of shares bought back by the Company since the last financial year as well as all the expenses paid by the Company therefor;

- (5) minutes of general meetings, special resolutions of the Company, resolutions of board meetings, resolutions of the meetings of board of supervisors;
 - (6) the latest audited financial report of the Company, and the report of the Board, auditor and the Supervisory Board;
 - (7) a copy of the latest annual examination report filed with the competent Administration of Industry and Commerce or other competent authorities.
- (VI) When the Company terminates or liquidates, its share of remaining assets of the Company according to the shares held will be distributed;
- (VII) Other rights under laws, administrative regulations and these Articles of Association.

Article 57 Holders of ordinary shares of the Company shall have the following obligations:

- (I) Comply with these Articles of Association;
- (II) Pay for the shares based on the shares subscribed and the method of subscription;
- (III) Cannot abuse the rights as a shareholder to damage the Company's or other shareholders' interests; cannot abuse the independent status of a legal person of the Company and the limited liability of the shareholders to damage the interests of creditors;
- (IV) Other obligations which shall be borne as required by laws, administrative regulations and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the shares on subscription.

Article 58 In addition to the obligations under laws, administrative regulations or the listing rules of the stock exchange of the place(s) in which the shares of the Company are listed, controlling shareholders (as defined in Article 59 below) shall not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

- (I) Discharging the responsibilities of a director or supervisor to act honestly in the best interest of the Company;
- (II) Approving a director or supervisor (for his own or others' benefit) to deprive the Company of its property in form, including (but not limited to) any opportunities that are favourable to the Company;
- (III) Approving a director or supervisor (for his own or others' benefit) to deprive other shareholders of their personal interests, including (but not limited to) the rights to distributions and voting rights, but not including restructuring of the Company submitted to and passed at the shareholders general meeting in accordance with these Articles of Association.

Article 59 The term "controlling shareholder" mentioned in the preceding article refers to a person who satisfies any one of the following conditions:

- (I) He, acting individually or in concert with others, may elect more than half of the directors;
- (II) He, acting individually or in concert with others, may exercise or control the exercise of 30% or more of the Company's voting rights;
- (III) He, acting individually or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;
- (IV) He, acting individually or in concert with others, actually controls the Company in other ways.

CHAPTER 8 GENERAL MEETING

Article 60 The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 61 The general meeting shall exercise the following functions and powers:

- (I) Decide the operational policy and investment plan of the Company;
- (II) Elect, remove and replace directors and decide on matters relating to the remuneration of directors;
- (III) Elect and replace supervisors who are staff representatives and decide on matters in relation to the remuneration of the relevant supervisors;
- (IV) Review and approve the reports of the Board;
- (V) Review and approve the reports of the board of supervisors;
- (IV) Review and approve the annual financial budgets and final accounting of the Company;
- (VII) Review and approve the profit distribution plan and loss compensation plan of the Company;
- (VIII) Pass resolutions on increasing or reducing the registered capital of the Company;
- (IX) Pass resolutions on, among other things, merger, division, winding up, liquidation or changing the form of the Company;
- (X) Pass resolutions on the issuance of bonds by the Company;
- (XI) Pass resolutions on the appointment, dismissal or non-reappointment of accounting firms by the Company;
- (XII) Amend these Articles of Association;

- (XIII) Review proposals of the shareholders who represent 5% or more of the Company's voting shares;
- (XIV) Review share incentive plans;
- (XV) Review purchases and sales of significant assets within a year exceeding 30% of the latest audited total assets of the Company;
- (XVI) Review other matters to be resolved at the general meeting as required by laws, administrative regulations and these Articles of Association.

In the absence of violation of the mandatory provisions under relevant laws, regulations, regulatory documents and listing rules of the place(s) in which the shares of the Company are listed, the general meeting may authorize or entrust the Board to deal with matters so authorized or entrusted.

Article 62 The following external guarantees of the Company shall be reviewed and passed at the general meeting:

- (I) Any guarantee in addition to the aggregate of external guarantees provided by the Company and its holding subsidiary with a total amount equal to or more than 50% of the Company's latest audited net assets;
- (II) Any guarantee in addition to the aggregate of external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets;
- (III) To provide guarantee to entities with a gearing ratio of more than 70%;
- (IV) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (V) To provide guarantee for shareholders, de facto controller and their connected parties;
- (VI) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and these Articles of Association.

The term “external guarantee” refers to the guarantee provided by the Company to others, including guarantee provided to any of its controlling subsidiary. The term “total amount of external guarantee of the Company and its holding subsidiary” refers to the sum of total amount of the Company’s external guarantee (including the Company’s guarantee to its holding subsidiary) and the external guarantee provided by the Company’s holding subsidiary.

When the general meeting is considering a resolution to provide guarantee for any shareholder, de facto controller or their connected parties, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the resolution, and the resolution shall be subject to approval by more than half of the voting rights held by the other shareholders attending the general meeting.

Article 63 The Company shall not, without a prior approval at a general meeting, enter into a contract to handover all or material business management of the Company to a person other than to a director, supervisor, general manager and other senior management.

Article 64 The general meetings shall include annual general meetings and extraordinary general meetings. The general meetings shall be convened by the Board. Annual general meetings shall be convened once a year and shall be held within six months from the end of the preceding financial year.

The Board shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:

- (I) The number of directors is less than the number as stipulated in the Company Law or less than two-thirds of the number prescribed in these Articles of Association;
- (II) The losses of the Company that have not been made up reach one-third of the total share capital;
- (III) Shareholders holding 10% or more of the Company’s issued and outstanding shares carrying voting rights require in writing to convene an extraordinary general meeting;
- (IV) Whenever the Board considers necessary or the board of supervisors proposes to convene a meeting;

(V) Other circumstances prescribed by laws, administrative regulations, departmental regulations, relevant requirements of the securities regulatory authorities of the place(s) in which the shares of the Company are listed or these Articles of Association.

Article 65 Where a general meeting is convened by the Company, it shall issue a written notice 45 days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Shareholders who intend to attend the general meeting shall deliver their written replies to the Company 20 days prior to the convening of the meeting.

Article 66 When a general meeting is convened by the Company, shareholders who individually or collectively hold 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions in writing to the Company. Such shareholders shall submit ad hoc proposals in writing to the Board 10 days before the convening of the general meeting. The Board shall notify other shareholders within 2 days upon receipt of the proposals and submit the ad hoc proposals to the general meeting for consideration. The Company shall place such proposals on the agenda for such meeting if they are matters falling within the scope of duties of the general meeting.

Article 67 The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting in accordance with the written replies received 20 days prior to the convening of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half of the total number of the Company's voting shares, the Company shall convene the general meeting. If not, the Company shall within 5 days notify the shareholders again by publishing an announcement stating the matters to be considered as well as the date and place of the meeting. Upon notifying by the announcement, the Company is entitled to convene the general meeting.

An extraordinary general meeting shall not make decision on matters not specified in the notice.

Article 68 The notice of the general meeting shall:

- (I) be in writing;
- (II) specify the place, date and time of the meeting;
- (III) describe matters for consideration at the meeting;
- (IV) provide shareholders with detailed information and explanations necessary for shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and serious explanations about the causes and effects when the Company proposes mergers, repurchase of shares, restructuring of share capital or other restructuring;
- (V) in the event that any of the directors, supervisors, general manager or other senior management has material interests at stake in matters to be discussed, disclose the nature and extent of the interests at stake; if the matters to be discussed affect any director, supervisor, general manager or other senior management as a shareholder in a manner different from how they affect the same type of other shareholders, explain the difference;
- (VI) include the full text of any special resolution to be proposed for approval at the meeting;
- (VII) state clearly that a shareholder is entitled to attend and vote at the meeting, and to appoint one or more proxies to attend and vote on his behalf, and that a proxy need not be a shareholder;
- (VIII) specify the delivery time and place of the power of attorney for proxy voting at the meeting.

Article 69 Notice of general meeting shall be served to the shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or posted on the company website or the designated stock exchange's website where the shares of the company are listed, subject to the applicable laws, rules and the listing rules of the stock exchange(s) where the shares of the company are listed. For holders of domestic shares, the notice of a general meeting may also be given by publishing an announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the China Securities Regulatory Commission within the period of 45 to 50 days before convening the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice in relation to the general meeting.

Article 70 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 71 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be necessarily a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder:

- (I) The shareholder's right to speak at the general meeting;
- (II) The right to demand by himself or jointly with others in voting by way of poll;
- (III) The right to vote may be exercised either by a show of hands or by poll. However, if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.

Article 72 The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney authorized in writing; where the principal is a legal person, such instrument shall be under its seal or under the hand of his director or attorney duly authorized. The instrument shall specify the number of shares represented by each proxy of the shareholder

The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

- (I) Name of the proxy;
- (II) Whether the proxy has voting rights;
- (III) Indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (IV) Date of signing of the instrument and term of validity;
- (V) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;
- (VI) Specifying the number of shares represented by the proxy of the shareholder;
- (VII) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy.

Article 73 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting. Where the principal is a legal person, its statutory representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.

Article 74 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favour of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted on at the meeting. The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his/her/its own discretion.

Article 75 Where the entrusting party is deceased or incapacitated to act or whose signed proxy form is withdrawn or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of the proxy form shall remain valid as long as the Company has not received a written notice of such matters before the commencement of the relevant meeting.

Article 76 A proxy who attends a general meeting on behalf of a shareholder shall produce his identification document. If a shareholder who is a legal person appoints its legal representative to attend the meeting, the legal representative shall produce his identification document and a notarially certified copy of the resolution or form of proxy of the board of directors or other governing body of the legal person (other than a recognized clearing house or its nominee) authorizing the legal representative.

If the shareholder is an authorized clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or its agent, such shareholder is entitled to appoint one or more persons as his or her representative at any general meeting or any class meeting. If more than one person is appointed as proxy, the proxy forms shall state clearly the number of shares and the class of shares represented by each of the proxies. The proxy appointed may represent the authorized clearing house or its agent to exercise its rights as if such person is an individual shareholder of the Company.

Article 77 Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolutions at a general meeting shall be passed by more than one half of the voting rights held by shareholders (including their proxies) attending the general meeting. Special resolutions at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

Article 78 When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares they represent. Each share shall carry one voting right.

Article 79 At any general meeting of shareholders, a resolution shall be passed by a show of hands, unless a poll is demanded by the following persons prior to or after a show of hands:

- (I) the chairman of the meeting;
- (II) at least two shareholders entitled to vote present in person or by proxy;
- (III) a shareholder or shareholders present in person or by proxy and individually or collectively representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried unanimously, and, an entry to that effect in the minutes of the meeting shall be conclusive evidence. Proof of the number or proportion of the votes recorded in favour of or against such resolution is not required.

The demand for a poll may be withdrawn by the person who makes such a demand.

Article 80 A poll demanded on the election of the chairman, or the adjournment of the meeting, such matters shall be resolved by poll immediately. A poll demanded on any other matters shall be taken at any time decided by the chairman of the meeting, and the meeting may proceed to consider and vote on other matters. The result of the poll shall be deemed as a resolution passed at the meeting.

Article 81 When a poll is taken at a meeting, a shareholder (including proxies) who have the right to two or more votes need not cast all his votes in the same way.

Article 82 When the number of votes for and against a resolution is equal, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 83 The following matters shall be passed by way of ordinary resolutions at a general meeting:

- (I) Work reports of the Board and the board of supervisors;
- (II) Plans formulated by the Board in respect of distribution of profits and making up losses;
- (III) Removal of the members of the Board and members of the board of supervisors, their remuneration and method of payment;
- (IV) Annual preliminary and final budgets, balance sheets and profit and loss statements and other financial statements of the Company;
- (V) Matters other than those required by laws and administrative regulations or by these Articles of Association to be adopted by special resolution at a general meeting.

Article 84 The following matters shall be passed by way of special resolutions at a general meeting:

- (I) Increase or reduction in the share capital and issue of any kinds of shares, warrants and other similar securities by the Company;
- (II) Issue of corporate bonds;
- (III) Division, merger, dissolution and liquidation of the Company or change of form of incorporation of the Company;
- (IV) Amendment to these Articles of Association;
- (V) Acquisition and disposal of material assets within one year by the Company and events that involve a guarantee amount exceeding 30% of the latest audited total assets of the Company;
- (VI) Other matters resolved at the general meeting by way of ordinary resolutions and deemed to be of significant impact to the Company and thereby required to be passed by way of special resolutions.

Article 85 Where shareholders request to hold an extraordinary general meeting or class meeting, the following procedures shall be followed:

- (I) Shareholders who jointly hold 10% or more of the voting shares at the proposed meeting may make a proposal to the Board on holding an extraordinary general meeting or class meeting by signing one or several written requests with same contents in the same format and define the meeting agenda. The Board shall convene such meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares shall be calculated as of the date of written request;
- (II) If the Board fails to send notification of the meeting within 30 days from the date of the receipt of such request, requesting shareholders may call the meeting within 4 months of the date of the receipt of such request by the Board, and the procedures for calling the meeting shall remain as the Board would call the meeting.

Where shareholders convene a meeting due to the failure by the Board to duly convene the same, all reasonable expenses so incurred shall be reimbursed by the Company, and any sum so reimbursed shall be set-off against such sums owed by the Company to the defaulting directors.

Article 86 The Chairman of the Board shall preside over the Shareholders' Meeting. If the Chairman of the Board is unable to attend the meeting for any reason, the Board may appoint a director of the Company to call and chair the meeting. In the event that no chairman of the meeting is so designated, the attending shareholders shall elect one of the directors to act as the chairman of the meeting. In the event that, for any reasons, the shareholders fail to elect a chairman, then the shareholder holding the largest number of the voting shares present in person or by proxy shall be the chairman of the meeting.

Article 87 When the general meeting considers associated transactions, the associated shareholders shall not participate in the voting. Voting shares held by such associated shareholders shall not be calculated within the total number of valid votes. The public announcement on resolutions of the general meeting shall fully disclose the voting decisions of the non-associated shareholders.

Article 88 If any shareholder shall abstain from voting on certain resolution in accordance with the listing rules of the place(s) where the overseas listed foreign shares are listed, or such listing rules limit any shareholder to vote in favour of or against certain resolution, the voting which violates such requirement or limitation by such shareholder or his proxy shall not be included in the number of valid votes.

Article 89 The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Article 90 If the chairman of the meeting has any doubts about the voting result of a resolution, he may arrange the recounting of the votes. If the chairman of the meeting does not arrange the re-counting of the votes, a shareholder or proxy attending the meeting who dissents from the result announced by the chairman of the meeting shall be entitled to request the re-counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately arrange the re-counting of the votes.

Article 91 If the counting of votes is conducted at a general meeting, the result of the counting shall be recorded in the minutes of meeting.

Minutes shall be kept in respect of all resolutions passed at a general meeting and signed by directors present at the meeting. The meeting minutes, together with the attendance register and proxy forms, shall be kept at the Company's domicile.

The minutes shall state the following contents:

- (I) Time, venue and agenda of the meeting and name of the convener;
- (II) The name of the chairman of the meeting and the names of the directors, supervisors and senior management attending or present at the meeting;
- (III) The numbers of shareholders (including holders of domestic shares and overseas listed foreign shares (if any)) and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;

- (IV) The process of review and discussion, summary of any speech and voting results of each proposal;
- (V) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (VI) Names of vote counters and scrutinizer of the voting;
- (VII) Other contents to be included as specified in these Articles of Association.

Article 92 The convener shall ensure that the contents of the minutes are true, accurate and complete. Directors, supervisors, secretaries to the Board, conveners or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance register, proxy forms and valid records on internet voting and other means of voting, for a period of no less than ten years.

Article 93 Shareholders may examine photocopies of the minutes of general meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes, the Company shall send such photocopies within seven days upon receipt of the payment for reasonable charges.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING AT CLASS MEETINGS

Article 94 Shareholders who hold different classes of shares shall be shareholders of different classes.

Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and these Articles of Association.

Where the capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

Where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting."

Article 95 The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution at the general meeting and at a separate class meeting by the shareholders of the affected class in accordance with Articles 97 to 101.

Article 96 The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

- (I) An increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (II) Conversion of all or part of the shares of such class into shares of another class or conversion of all or part of the shares of another class into shares of such class or the grant of the right to such conversion;
- (III) A removal or reduction of rights to accrued dividends or cumulative dividends attached to the shares of such class;
- (IV) A reduction or removal of a dividend preference or property distribution preference during the liquidation of the Company, attached to the shares of such class;
- (V) An addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire the securities of the Company attached to the shares of such class;
- (VI) A removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to the shares of such class;
- (VII) Creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (VIII) An imposition of restrictions or additional restrictions on the transfer of or ownership of the shares of such class;
- (IX) An issuance of rights to subscribe for, or convert into, the shares of such class or another class;

- (X) An increase in the rights and privileges of the shares of another class;
- (XI) A restructuring plan of the Company that causes shareholders of different classes to bear liability to different extents during the restructuring;
- (XII) Any amendment to or repeal of the provisions of this section.

Article 97 Shareholders of the affected class, whether or not having the right to vote at the general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (II) to (VIII) and (XI) to (XII) in Article 96, except that interested shareholders shall not vote at class meetings.

The term “interested shareholders” in the preceding paragraph shall have the following meanings:

- (I) If the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 31 hereof, the controlling shareholders as defined in Article 59 hereof shall be the “interested shareholders”;
- (II) If the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 32 hereof, holders of shares in relation to such agreement shall be the “interested shareholders”;
- (III) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest different from that of other shareholders of the same class shall be the “interested shareholders”.

Article 98 Resolutions of a class meeting may be passed only by more than two-thirds of the voting rights of that class represented by the shareholders attending the meeting in accordance with Article 97.

Article 99 When the Company is to hold a class meeting, it shall issue a written notice forty-five days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who intend to attend the meeting shall, within twenty days prior to the day of the meeting, deliver their written replies regarding their attendance to the Company.

If the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class at the meeting, the Company may hold the class meeting. If not, the Company shall within five days inform the shareholders once again of the matters to be considered at the meeting and the date and venue of the meeting in the form of a public announcement. Upon notification by a public announcement, the Company may hold the class meeting.

If there are any special requirements under the listing rules of the place(s) where the Company's shares are listed, such requirements shall prevail.

Article 100 The notice of the class meeting shall be delivered only to the shareholders entitled to voting thereat.

The procedures of a class meeting shall, to the extent possible, be identical with the procedures of a general meeting. The provisions of the Articles of Association of the Company in relation to the procedures for the holding of a general meeting shall be applicable to a class meeting.

Article 101 In addition to the holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of shareholders.

The special procedures for voting in the class meetings shall not apply under the following circumstances:

- (I) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval in the form of a special resolution by its shareholders at a general meeting, either separately or concurrently, once every twelve months and the number of each of the domestic shares and overseas listed foreign shares to be issued is not more than 20% of the same type of shares in issue;

- (II) Where those shares are part of the plan to issue domestic shares and overseas listed foreign shares at the incorporation of the Company and such plan is completed within 15 months from the date of approval by the China Securities Regulatory Commission or other competent securities regulatory authorities under the State Council.
- (III) Where with the approval by the securities regulatory authorities under the State Council, the shareholders convert their unlisted domestic shares and foreign shares into overseas listed foreign shares for listing and trading overseas.

CHAPTER 10 BOARD OF DIRECTORS

Article 102 The Company shall establish the Board, which is composed of eight directors, including one Chairman and seven directors.

Article 103 Directors shall be elected by the general meeting and serve a term of 3 years for each session. A director may serve consecutive terms if re-elected upon the expiry of his term, unless it is otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the place(s) where the Company's shares are listed.

The general meeting shall not remove the directors from their duties without justifiable grounds. The Company may have positions for independent directors upon needs, who shall be nominated by the shareholder(s) holding more than 1% of the issued shares of the Company and elected or changed by the general meeting. The office term of an independent director is the same as a director and is entitled for re-election upon expiry of his term of office, while he shall serve no more than two consecutive terms.

Subject to compliance with relevant laws and administrative regulations, a director can be removed by way of an ordinary resolution passed at a general meeting before the expiry of his term of office (while the claims of loss based on any contracts are not impacted).

Subject to relevant laws and regulations and regulatory rules of the place where the shares of Company are listed, if the Board appoints a new director to fill the temporary vacancy, the term of office of such new director shall expire at the next general meeting of the Company and he can serve consecutive terms if re-elected; if the Board appoints a new director to increase the number of directors, the term of office of such new director shall expire at the next annual general meeting of the Company and he can serve consecutive terms if re-elected.

Written notices concerning proposed nomination of director candidate and indication of the candidate's intention to accept the nomination shall be sent to the Company no later than seven days prior to the date of the general meeting. The seven-day notice period shall commence no earlier than the day immediately following the date of dispatch of the notice of the general meeting concerning the election of directors and shall end no later than the day falling seven days prior to the date of the general meeting.

The Chairman of the Board shall be elected and removed by more than half of all of the directors. The term of office of the Chairman shall be three years and they are eligible for re-election upon expiry of their terms of office.

Directors need not to hold the shares of the Company.

No less than one-third of the Board members and no less than three Board members of the Company shall be independent non-executive directors; among whom, at least one independent non-executive director must have appropriate professional qualifications or accounting or related financial management expertise. Should the number of the independent non-executive directors fail to meet the number of the independent non-executive directors as required by these Articles of Association because the independent non-executive directors fail to satisfy the conditions of being independent or because it is inappropriate for the independent non-executive directors to perform their duties on the occurrence of some event(s), the Company shall appoint additional independent non-executive directors to meet such required number.

At least one independent non-executive director of the Company shall ordinarily reside in Hong Kong.

Article 104 The Board shall be accountable to the general meeting and exercise the following functions and powers:

- (I) To be responsible for convening general meetings and reporting its work to the general meetings;
- (II) To implement resolutions of the general meetings;
- (III) To decide on the Company's business plans and investment plans;

- (IV) To formulate the annual financial budgets and final accounts of the Company;
- (V) To formulate the Company's profit distribution plans and plans on making up losses;
- (VI) To formulate proposals for the Company to increase or decrease its registered capital and issue corporate bonds;
- (VII) to formulate plans for the Company's merger, division, or dissolution;
- (VIII) to decide on the Company's internal management structure;
- (IX) to appoint or remove the Company's General Manager and to engage or remove the Company's deputy general manager and other members of senior management including the chief financial officer, and to decide on their remuneration and payment method;
- (X) to formulate the Company's basic management system;
- (XI) to formulate proposals for any amendment to the Company's Articles of Association;
- (XII) to exercise any other functions and powers conferred upon by the Articles of Association or the Shareholders' Meeting of the Company.

Resolutions regarding Clause (VI), Clause (VII) and Clause (XI) above shall be passed by over two thirds of the total number of the Directors, and resolutions in relation to the rest of the circumstances above shall be passed by over half of the total number of the Directors.

Article 105 The Board shall establish the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, and may establish other special committees, to advise and consult with the Board on major decisions.

All of the special committees under the Board shall be accountable to the Board. All members of the Board Committees shall be comprised of directors, the Audit Committee may only comprise non-executive directors and must have at least three members, of whom the majority shall be independent non-executive directors. At least one member of the Audit Committee shall be an independent non-executive director with the proper qualification as required by the Listing Rules, or appropriate accounting or related financial management expertise. The chairman of the Audit Committee must be an independent non-executive director. The majority of the members of the Remuneration and Appraisal Committee shall be independent non-executive directors. The chairman of the Remuneration and Appraisal Committee must be an independent non-executive director. The chairman of the Nomination Committee must either be the Chairman of the Board or an independent non-executive director, and the majority of its members shall be independent non-executive directors. The Board may also set up additional specialized committees and adjust the existing committees if necessary. The Board shall separately formulate working rules for each specialized committees taking into account their scope of responsibilities and rules of procedures.

Article 106 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four months before the proposed disposal, exceeds thirty-three percent of the fixed assets value set out in the latest balance sheet reviewed by the general meetings, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the general meeting.

The term “fixed assets disposal” referred to in this Article represents (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

Article 107 The Chairman of the Board is entitled to the following powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to check on the implementation of resolutions of the Board;

- (3) to sign on securities issued by the Company;
- (4) to exercise other duties and powers granted by the Board.

Where the Chairman of the Board is unable to exercise and perform the above functions, the director of the Board may under the authority given by the Chairman of the Board exercise and perform the same on his behalf.

Article 108 Meetings of the board of directors should be held at least four times every year and convened by the Chairman of the Board. Notice of the meeting should be served on all of the Directors by hand, post, fax or email fourteen days before the date of the meeting. Upon requisition by the shareholders representing ten percent or more of voting rights, one-third or more of the directors, or the general manager of the Company, an interim meeting of the Board may be convened. In case of convening of an interim meeting, the interim meeting may be held upon approval by the Chairman of the Board, not being subject to the requirement of meeting notice as set out in this Article, provided that reasonable notice shall be given to the participants of the meeting.

Board meeting may be convened and resolutions may be adopted at the meeting by means of written communication (including serving the documents of the meeting by hand, post, fax and email), telephone conference (or with the help of similar communication equipment), video conference, provided that directors are able to fully express their opinions, and the resolution adopted at the meeting shall be signed by the directors in attendance. Where a Board meeting is convened in the aforesaid manner, all the directors in attendance shall be deemed to have attended the meeting in person.

Article 109 The Board meeting may not be held unless not less than a half of the directors (including proxies) are present.

Each director shall have one vote. Resolutions of the Board shall be required to be passed by more than one half of all the directors.

When the number of votes cast for and against a resolution is the same, the Chairman of the Board shall have a casting vote.

Article 110 The directors shall attend a Board meeting in person. If a director is unable to attend such meeting for any reasons, he/she may appoint another director in writing to attend such meeting on his/her behalf. The authorization letter shall contain the scope of authorization.

The appointed director who attends the meeting shall exercise a director's duties within the scope determined by authorization letter. If a director fails to attend a Board meeting in person and fails to appoint a representative to attend the meeting, he/she shall be deemed to have waived his/her voting rights at the meeting.

A director may not vote in respect of Board resolutions approving any contract or arrangement or any other proposals in which he/she or his/her close associates (as defined in the Listing Rules) has material interest, nor shall he/she vote on behalf of other directors, except for the exceptional circumstance permitted by note 1 as set out in Appendix III to the Listing Rules or the Hong Kong Stock Exchange. That Board meeting can be held if more than one half of the non-connected directors attend (the director shall not be taken into account in determining a quorum). Resolutions made by the Board meeting shall be passed by more than one half of the non-connected directors. If less than three non-connected directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

When the Board considers any transaction between the Company or any of its subsidiaries and the controlling shareholder of the Company or any associate of such controlling shareholder (excluding the Company and its subsidiaries), any director who is concurrently serving as a director and/or senior management of the controlling shareholder of the Company or any subsidiary of such controlling shareholder (excluding the Company and its subsidiaries) shall abstain from voting, and shall not be counted in the quorum present at such Board meeting.

If no quorum is present at the Board meeting as a result of the aforesaid abstention, the relevant transaction shall be submitted for shareholders' consideration at a general meeting.

“Controlling shareholder”, “subsidiary” and “associate” referred to in this Article mean the definition in the Listing Rules. If a substantial shareholder (as defined in the Listing Rules) or a director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter should not be dealt with by way of circulation of documents or by a committee under the Board (other than a committee specifically set up for such matter by a resolution passed at a Board meeting), but a physical meeting of the Board shall be held. Independent non-executive directors who, and whose associates (as defined in the Listing Rules), have no material interest in the transaction should be present at such Board meeting.

Article 111 The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors present at the meeting and the person who recorded the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates laws, the requirements of administrative regulations or these Articles of Association resulting in material loss of the Company, the directors who voted for the resolution shall be directly liable to the Company; if it can be proved that a director expressly objected to the resolution when the resolution was voted on and the objections were recorded in the meeting minutes, such director shall be waived from such liability.

Article 112 If a director breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his corporate duties and causes loss to the Company, he/she shall be held responsible for damages.

CHAPTER 11 SECRETARY TO THE BOARD OF THE COMPANY

Article 113 The Company shall have one secretary to the Board. The secretary is a senior management officer of the Company.

Article 114 The secretary to the Board shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the Board. His/her principal duties are:

- (I) to ensure that the Company has a complete set of organizational documents and records;
- (II) to ensure that the Company prepares and submits the reports and documents as required by the authorities pursuant to laws;
- (III) to ensure that the register of shareholders of the Company is kept in a proper manner and that the persons entitled to the access to the relevant records and documents of the Company may obtain the same in a timely manner;
- (IV) to arrange and make preparations for meetings of the Board and general meetings, to prepare meeting materials, to arrange relevant meeting affairs, to be responsible for meeting minutes and ensure the accuracy of such minutes, to keep meeting documents and minutes, to actively keep abreast of the implementation of relevant resolutions. As for the important issues encountered in the course of implementation, report to the Board and to provide recommendations in respect thereof;
- (V) to ensure that the material matters on which the Board of the Company has reached decisions are carried out in strict accordance with the prescribed procedure; at the request of the Board, to participate in and arrange for advice and analysis of matters on which the Board is to make decisions and put forward pertinent opinions and recommendations; to handle, upon appointment, the day to day work of the Board and its relevant committees;

- (VI) as the contact person between the Company and the securities regulator, to be responsible for arranging for the preparation and timely delivery of the documents requested by the regulator and to be responsible for accepting the relevant tasks assigned by the regulator and arranging for their completion;
- (VII) to be responsible for coordinating and arranging information disclosures by the Company and the establishment of a sound information disclosure system, to attend all Company meetings relating to information disclosure and to be aware at all times of the Company's material business decisions and relevant information and data;
- (VIII) to be responsible for the work associated with maintaining the confidentiality of the Company's price sensitive information and to formulate a practical and effective confidentiality system and measures; where Company price sensitive information is leaked for any reason, to take the necessary remedial measures, to timely explain and clarify the same and inform the regulator of the overseas listing place and China Securities Regulatory Commission;
- (IX) to be responsible for coordinating and organizing the market promotion, coordinating the visitor reception, handling the relations with the investors, keeping in contact with the investors and the intermediaries; to be responsible for coordinating and answering the questions of the social public, ensuring that the investors can timely obtain the data disclosed by the Company;
- (X) to be responsible for managing and keeping the Company's register of shareholders, the register of directors, the record data of the number of shareholdings of substantial shareholders and directors and the name lists of the equity owners of overseas listed bonds of the Company;
- (XI) to assist the director and general manager to in their compliance with domestic and overseas laws, regulations, these Articles of Association and other relevant regulations when they exercise their functions and powers. Having the obligations to give timely warning and the rights to accurately reflect the situations to China Securities Regulatory Commission and other regulator when knowing that the Company has made or possibly made any resolutions violating relevant regulations;

(XII) to coordinate and provide the Company's board of supervisors and other auditing authorities with necessary information data for them to perform their functions and powers of supervision, and to assist in the investigations of the performance by relevant financial controller, directors and general managers of the Company of their fiduciary duties;

(XIII) to perform other functions and powers granted by the Board and other functions and powers as required by the law of the place where the shares of the Company are listed or relevant provisions of the stock exchange.

Article 115 Directors or other senior management officers may concurrently act as the secretary to the Board. No accountant(s) of the accounting firm that is appointed by the Company may concurrently act as the secretary to the Board.

Where the secretary to the Board concurrently act as a director, for an act which is required to be made by a director and the secretary to the Board separately, the person who concurrently acts as a director and the secretary to the Board may not perform the act in dual capacity.

CHAPTER 12 COMPANY SECRETARY

Article 116 The Company shall appoint a company secretary to ensure good communication between and among the members of the Board and to ensure such Board members to follow the policies and procedures of the Board. The company secretary shall report duty to the chairman of the Board and/or the general manager, advise the Board on corporate governance matters through the chairman of the Board and/or the general manager, and shall also arrange for on-job training and professional development of directors.

Article 117 The selection, appointment and dismissal of a company secretary shall be subject to approval by the Board. Decisions in this regard shall be made by convening physical meeting of the Board but not by way of written resolutions. The company secretary shall be an individual who, by virtue of his academic or professional qualifications or relevant experience is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. The Company may select its company secretary from and among the employees of the Company who should have day-to-day

knowledge of the Company's business. It may also engage an external service provider as its company secretary, in which case it should designate a senior management to act as a contact point with such external service provider.

Article 118 The company secretary shall undergo no less than 15 hours of professional training in each financial year.

Article 119 All directors should have access to the advice and services of the company secretary to ensure that Board procedures, and all applicable law, rules and regulations, are observed.

CHAPTER 13 GENERAL MANAGER OF THE COMPANY

Article 120 The Company shall have one general manager, who shall be appointed or removed by the Board. The term of office of the general manager shall be three years. The general manager shall be re-elected upon reappointment.

Article 121 The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (I) to lead the Company's production, operation and management, and organize and implement the Board's resolutions;
- (II) to organize the implementation of the Company's annual business plan and investment plan;
- (III) to make plans for the structuring of the Company's internal management departments;
- (IV) to formulate the Company's basic management system;
- (V) to formulate regulations for the Company;
- (VI) to propose to appoint or remove vice general managers and other members of senior management (including the chief financial officer);

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

(VIII) to exercise other functions and powers conferred upon by these Articles of Association and the Board.

Article 122 The general manager of the company may attend meetings of the Board.

However, the general manager has no voting rights at the meetings unless he is also a director of the company.

Article 123 When exercising his functions and powers, the general manager of the company shall bear the duties of good faith and due diligence in accordance with law, administrative regulations and these Articles of Association.

CHAPTER 14 BOARD OF SUPERVISORS

Article 124 The Company shall establish a board of supervisors.

Article 125 The board of supervisors shall consists of 3 supervisors, one of whom shall be appointed as the chairman of the board of supervisors. The term of office of a supervisor shall be 3 years. A supervisor may serve consecutive terms if reelected upon the expiration of his term.

The board of supervisors shall be composed of shareholder representative and appropriate proportion of employee representative, among which the proportion of employee representative shall be no less than one-third. The employee representative of the board of supervisors shall be democratically elected and removed by employees of the Company by ways of meetings of employee representative, meetings of employee and others.

The shareholder representative supervisors shall be elected and dismissed by the general meeting, and the employee representative supervisors shall be democratically elected and removed by employees of the Company. The appointment and dismissal of the chairman of the board of supervisors shall be passed by more than two-thirds of its members. The chairman of the board of supervisors shall convene and preside over the meeting of the board of supervisors. Where the chairman of the board of supervisors is incapable of performing or fails to perform his duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

When a supervisor's term of service expires but a new supervisor is not yet appointed, or when a supervisor resigns during his term of service, leading to the number of members in the board of supervisors falling below the legally prescribed number, and before the newly appointed supervisor takes up his appointment, the original supervisor should still carry out his duties according to the law, administrative regulations and the Articles.

Article 126 Directors, general manager, the chief financial officer or other members of senior management of the Company shall not be appointed as Supervisors.

Article 127 The meeting of the board of supervisors shall be held at least once every six months, which shall be convened and presided over by the chairman of the board of supervisors. A supervisor may propose to convene an extraordinary meeting of the board of supervisors. Where the chairman of the board of supervisors is incapable of performing or fails to perform his duties, a supervisor elected by not less than half of the supervisors shall convene and preside over the meeting of the board of supervisors. A notice of the regular meeting of board of supervisors shall be given in writing ten days prior to the convening of such meeting. A notice of the extraordinary meeting of board of supervisors shall be given in writing 5 days prior to the convening of such meeting.

Article 128 The board of supervisors shall be accountable to the general meeting and exercise the following functions and powers according to laws:

- (I) to review the Company's financial affairs;
- (II) to supervise the work of the directors, general manager and other senior management officers of the company who have violated laws, administrative regulations or these Articles of Association;
- (III) to demand rectification made by a directors, general manager or any other senior management officers of the company should their acts be deemed against the Company's interests;
- (IV) to verify the financial information such as the financial reports, business reports and profit distribution plans and others to be submitted by the Board to the general meetings and, should any queries arise, to entrust, in the name of the Company, certified public accountants and practicing auditors to conduct a review thereof;

- (V) to propose to convene an extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties of convening and presiding over general meetings as required by the Company Law;
- (VI) to represent the Company in negotiating with or in bringing legal action against the directors and senior management officers in accordance with the Article 151 of the Company Law;
- (VII) other functions and powers designated by shareholders at general meetings.

A supervisor can attend the board meetings.

The board of supervisors will set out working rules for the board of supervisors and clearly specify meeting method and voting procedure of the board, in order to ensure the working efficiency and scientific decision-making. The working rules of the board of supervisors stipulates the convening and voting procedures of the meeting of the board of supervisors. Resolutions at the meeting of the board of supervisors shall be passed by more than two-thirds of the supervisors' votes. The working rules of the board of supervisors shall be drafted by the board of supervisors and approved by the general meeting.

The discussed issues shall be recorded in the minutes of the meeting of the board of supervisors. Supervisors attending the meeting shall sign on the minutes of meetings. Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. Minutes of meeting of the board of supervisors shall be maintained as company files for at least ten years.

A notice of the regular meeting of board of supervisors to all supervisors shall be given in writing ten days prior to the convening of such meeting. A notice of the extraordinary meeting of board of supervisors to all supervisors shall be given in writing 5 days prior to the convening of such meeting. A notice to a board of supervisors meeting shall include the following contents:

- (I) date, venue, and duration of the meeting;
- (II) causes and issues of discussion;
- (III) date of issuance of notice.

Article 129 The reasonable expenses incurred by the board of supervisors in the engagement of professionals such as lawyers, certified public accountants, practicing auditors, etc., to perform its functions and powers shall be borne by the Company.

The Company shall bear the reasonable expenses incurred by supervisors in attending meetings of the board of supervisors.

Article 130 A supervisor shall faithfully perform his or her supervisory duties in accordance with the provisions of laws, administrative regulations and these Articles of Association.

**CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE
COMPANY’S DIRECTORS, SUPERVISORS, GENERAL MANAGER AND
OTHER SENIOR MANAGEMENT**

Article 131 A person may not serve as a director, supervisor, general manager or other senior management of the Company if any of the following occasions occur:

- (I) A person without capacity or with restricted capacity for civil acts;

- (II) A person who has committed an offence of corruption, bribery, embezzlement of property, misappropriation of property or sabotaging the social economic order shall be penalized because of committing such offence; or who has been deprived of his political rights, in each case where less than 5 years have elapsed upon the completion of implementation of such punishment or deprivation;

- (III) A person who is a former director, factory manager or general manager of a company or enterprise which has undergone bankruptcy due to poor operation and management, and he is personally liable for the bankruptcy of such company or enterprise, where less than 3 years have elapsed upon the completion of the insolvency and liquidation of the company or enterprise;

- (IV) A person who is a former legal representative of a company or enterprise which its business license revoked due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed upon the revocation of the business license;

- (V) A person who bears a relatively large amount of debts due and outstanding;
- (VI) A person who is under criminal investigation or prosecution by a judicial organization for the violation of the criminal law where said investigation or prosecution is not yet concluded;
- (VII) Anyone who may not serve as a leader of an enterprise pursuant to the provisions of the laws and administrative regulations;
- (VIII) Anyone who is not a natural person;
- (IX) Anyone judged by the competent authorities to be in violation of the provisions of the relevant securities laws, has been involved in fraud or dishonest acts where less than 5 years has elapsed since the date on which the judgment was made.

Article 132 The validity of the acts of the directors, general manager or other senior management for representing the Company to bona fide third parties shall not be affected by any acts not in compliance, with respect to their appointment, election or qualifications.

Article 133 In addition to the obligations imposed by laws, administrative regulations or listing rules of the stock exchange(s) in the place(s) where the shares of the Company are listed, the Company's directors, supervisors, general manager and other senior management owe a duty to each Shareholder, in the exercise of the functions and powers conferred upon them by the Company:

- (I) not cause the Company to exceed the business scope as stipulated in its business license;
- (II) act honestly in the best interests of the Company;
- (III) not expropriate the Company's property in any form, including (but not limited to) such opportunities advantageous to the Company;
- (IV) not deprive the shareholders of their individual rights or interests, including (but not limited to) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to general meeting for approval in accordance with these Articles of Association.

Article 134 Each of the Company's directors, supervisors, general manager and other senior management owes a duty, in the exercise of his rights and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

Article 135 The Company's directors, supervisors, general manager and other senior management must, in the exercise of their functions and powers, abide by the principles of good faith and shall not place themselves in a position where their personal interests conflict with their obligations. This principle shall include (but not limited to) the performance of the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to exercise functions and powers within the scope of their functions and powers and may not go beyond the scope of such powers;
- (III) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, may not to delegate the exercise of his discretion to another party unless permitted by laws and administrative regulations or with the informed consent of the general meeting;
- (IV) to treat shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (V) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association or with the informed consent of the general meeting;
- (VI) not to use the Company property for his own benefit in any way without the informed consent of the general meeting;
- (VII) not to exploit his position to accept bribes or other illegal income, nor misappropriate the Company's funds or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;

- (VIII) not to accept commissions in connection with Company's transactions without the informed consent of the general meeting;
- (IX) to abide by these Articles of Association, perform his duties faithfully, and protect the interests of the Company and not to exploit his position and power in the Company to advance his own private interests;
- (X) not to compete with the Company in any manner without the informed consent of the general meeting;
- (XI) not to misappropriate the funds of the Company or make loans to others out of the funds of the Company, not to deposit the assets of the Company into accounts under his name or any other name, and not to use assets of the Company as security for debts to shareholders of the Company or other individuals;
- (XII) not to disclose such confidential information which was related to the Company and was acquired by him or her during his or her office without the informed consent of the general meeting, and not to use such information except for the purposes of the interests of the Company; however, such information may be disclosed to the court or other government authorities under any of the following circumstances:
1. as prescribed by laws;
 2. it is subject to the requirement of the public interest; or
 3. it is subject to the requirement of the interests of such directors, supervisors, general manager and other senior management of the Company.

Article 136 Directors, supervisors, general manager and other senior management of the Company may not cause the following persons or institutions (hereinafter referred to as the "Connected Persons") to do what such directors, supervisors, general manager and other senior management are prohibited from doing in their capacity:

- (I) the spouse or minor child of such directors, supervisors, general manager and other senior management of the Company;

- (II) the trustee of a director, supervisor, general manager and other senior management of the Company or of any person referred to in Item (I) of this Article;
- (III) the partner of a director, supervisor, general manager and other senior management of the Company or of any person referred to in Items (I) and (II) of this Article;
- (IV) the company over which a director, supervisor, general manager and other senior management of the Company individually control, or jointly control with any person referred to in Items (I), (II) and (III) of this Article or any other director, supervisor, general manager and other senior management of the Company, has actual common control;
- (V) the director, supervisor, general manager and other senior management of such company being controlled as referred to in Item (IV) of this Article.

Article 137 The fiduciary duties of the directors, supervisor, general manager and other senior management of the Company do not necessarily cease with the termination of their tenure while their obligation to treat such trade secrets of the Company confidential survives the termination of their tenure. Other duties may continue for such period as fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated.

Article 138 Except for such circumstances provided in Article 58 of the Articles of Association, a director, supervisor, general manager and other senior management of the Company may be relieved from such liability for the violation of his/her specific duty by the informed consent of shareholders given at a general meeting.

Article 139 Where a director, supervisor, general manager and other senior management of the Company has significant relationship in any way, directly or indirectly, in an established or proposed contract, transaction or arrangement entered into by and with the Company, (other than the service contract entered into by and between a director, supervisor, general manager and other senior management of the Company and the Company), he/his shall disclose the nature and extent of his interests to the Board promptly whether or not such contract, transaction or arrangement is subject to the approval of the Board under normal circumstances.

Unless the interested director, supervisor, general manager and other senior management of the Company has disclosed such interest to the Board as required under the provisions of the preceding paragraph and the matter has been approved by the Board at a meeting where he was not counted in the quorum and had refrained from voting, the Company shall have the right to revoke the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, general manager and other senior management concerned.

A director, supervisor, general manager and other senior management of the Company shall be deemed to have some interest in a certain contract, transaction or arrangement in which a Connected Person of such director, supervisor, general manager and other senior management has some interest.

Article 140 In the event that a director, supervisor, general manager and other senior management of the Company gives a written notice to the Board before the Company considers to establish the contract, transaction or arrangement for the first time, stating that due to the contents of the notice, such director, supervisor, general manager and other senior management of the Company has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor, general manager and other senior management shall be deemed, for the purposes of the preceding Articles of this Chapter, to have declared his/her interest, insofar as attributable to the scope stated in the notice.

Article 141 The Company may not, in any manner, pay tax for or on behalf of its directors, supervisor, general manager and other senior management.

Article 142 The Company may not directly or indirectly provide a loan or loan security for a director, supervisor, general manager and other senior management of the Company and of the Company's parent company, or Connected Persons of the foregoing persons.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) the Company provides a loan to its subsidiary or the Company provides a loan security for its subsidiary;

- (2) the Company provides a loan, loan security or other funds to a director, supervisor, general manager and other senior management of the Company pursuant to an appointment contract approved by the general meeting, so as to enable such director, supervisor, general manager and other senior management of the Company to pay the expenses incurred for the purposes of the Company or for performing his/her duties of the Company; and
- (3) In the event that the normal business scope of the Company includes provision of loans and loan security, the Company can provide loans and loan security to a relevant director, supervisor, general manager and other senior management of the Company or to a Connected Person thereof, and provided that the conditions for the provision of loans and loan security shall be normal business conditions.

Article 143 As for such loan provided by the Company in violation of the preceding Article, the recipient of such loan shall immediately repay such loan regardless of the terms of the loan.

Article 144 As for such loan guarantee provided by the Company in breach of paragraph 1 of Article 142, no enforcement shall be imposed upon the Company, except for the following conditions:

- (1) when the loan is provided to a Connected Person of a director, supervisor, general manager and other senior management of the Company or its parent company, the loan provider is not aware of the circumstance;
- (2) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 145 For the purposes of the preceding Articles of this Chapter, the term “security” shall include an act whereby a guarantor assumes its liability or provides property to guarantee in order to secure the performance of obligations by an obligator.

Article 146 When a director, supervisor, general manager and other senior management of the Company is in breach of his/her duties to the Company, the Company shall have the right to adopt the following measures in addition to various rights and remedies as provided in laws and administrative regulations:

- (1) to demand the relevant director, supervisor, general manager and other senior management to compensate for the losses suffered by the Company as a consequence of his/her dereliction of duty;
- (2) to revoke any contract or transaction concluded by the Company with the relevant director, supervisor, general manager and other senior management or contracts with a third party (where such third party is aware of or should be aware of that the director, supervisor, general manager and other senior management representing the Company is in breach of his/her obligations to the Company);
- (3) to demand the relevant director, supervisor, general manager and other senior management to surrender the gains derived from the breach of his obligations;
- (4) to recover any funds which are received by the relevant director, supervisor, general manager and other senior management and shall have been collected for the Company, including (but not limited to) commissions;
- (5) to demand the relevant director, supervisor, general manager and other senior management to return the interest earned or possibly earned on the funds that shall have been given to the Company.

Article 147 The Company shall enter into a written contract with each director, supervisor and member of senior management containing at least the following:

- (1) an undertaking made by such director, supervisor and member of senior management to the Company that he will comply with the Company Law, the Special Regulations, the Articles of Association and the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission of Hong Kong as amended from time to time, and an agreement that the Company shall enjoy the remedies provided in these Articles of Association and that neither the contract nor his office may be transferred;

- (2) an undertaking made by such director, supervisor and member of senior management to the Company that he will comply with and perform his obligations to shareholders under these Articles of Association; and
- (3) an arbitration cause provided in Article 190.

Article 148 With the prior approval of the general meeting, the Company shall enter into a written contract with a director or supervisor with respect to his emoluments. The aforementioned emoluments may include:

- (1) emoluments with respect to his service as a director or supervisor of the Company;
- (2) emoluments with respect to his service as a director or supervisor of any subsidiary/ subsidiaries of the Company;
- (3) emoluments with respect to the provision of other services in connection with the management of the Company and any of its subsidiaries;
- (4) any payment as compensation for, or in connection with loss of office or retirement from office of such director or supervisor.

No proceedings may be brought by a director or supervisor against the Company for any benefit which otherwise would have been received by him by virtue of any aforementioned matters except pursuant to any contract described above.

Article 149 The contract regarding emoluments entered into by and between the Company and its directors and supervisors may provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payment for loss of their office or for their retirement. For the purposes of this paragraph, the term "a takeover of the Company" shall refer to any of the following occasions:

- (1) anyone makes a tender offer to all the shareholders;
- (2) anyone making a tender offer aims at that the offer or becomes a controlling shareholder which has the same definition as that provided in Article 59 hereof.

If the relevant director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of foregoing offer, and the expenses incurred from the distribution of such fund on a pro rata basis shall be borne by the relevant director and supervisor and may not be paid out of such fund.

CHAPTER 16 FINANCIAL ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS

Article 150 The Company shall establish its own financial and accounting systems in accordance with the provisions of laws, administrative regulations and accounting standards of China formulated by the Ministry of Finance.

Article 151 The Company shall prepare financial reports at the end of each fiscal year, and such reports shall be examined and verified according to laws.

Article 152 At each annual general meeting, the Board of the Company shall submit to the shareholders such financial reports prepared by the Company pursuant to the relevant laws, administrative regulations and such regulatory documents promulgated by the local governments and the competent authorities.

Article 153 The financial reports of the Company shall be made available for shareholders' inspection at the Company 20 days prior to an annual general meeting to be convened. Each shareholder of the Company shall have the right to obtain a copy of the financial reports mentioned in this Chapter.

Article 154 The Company shall, at least 21 days before the date of convening the annual general meeting and within 3 months after the end of relevant financial year, deliver the aforementioned financial report to each holder of overseas listed foreign shares by postage-paid mail, or through other way allowed by the laws, rules, the listing rules of the stock exchange(s) of where company shares are listed (including the company website or the designated stock exchange's website where the company is listed or sent out through email). The address of each shareholder registered with the register of members of the Company shall prevail.

Article 155 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 the international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If the financial statements prepared in accordance with such two sets of accounting standards differ significantly, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given fiscal year, the amount, whichever is less, of after-tax profits shown in the said two foregoing financial statements shall prevail.

Article 156 Interim results or financial information published or disclosed by the Company may be prepared either in accordance with the PRC accounting standards and regulations or the international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

Article 157 The Company shall publish two financial reports in each fiscal year, that is an interim financial report within 60 days upon the completion of the first six months of the fiscal year and an annual financial report within 90 days upon the completion of the fiscal year.

Article 158 The Company may not maintain any account books other than statutory account books. Assets of the Company shall not be held in any accounts opened under the names of any individuals.

Article 159 The after-tax profits of the Company shall be utilized in the following sequence:

- (1) make up for the losses;
- (2) allocate to the statutory common reserve;
- (3) allocate to the discretionary common reserve upon a resolution being made by the general meeting;
- (4) pay for the dividends of common shares. The Company shall not distribute dividends or distribute in the form of bonus or other ways prior to loss offset and statutory common reserve allocation.

Any amount paid up prior to calls on any share may carry interest but shall not entitle the holders of the share to participate in a dividend subsequently declared in respect thereof such prepaid amount for said share(s).

Subject to complying with the relevant PRC laws and regulations and the provisions of the Hong Kong Stock Exchange, the Company may exercise the right to forfeit unclaimed dividends, but such right may only be exercised six years or more after the date of dividends declaration

In the event of exercising the right to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms, without any reasonable doubts, that the original warrants have been destroyed.

The right to sell the shares of a shareholder who cannot be contacted may not be exercised except in accordance with the following provisions: (1) during a period of twelve years, there have been at least three distribution of such dividends in respect of the shares in question and no dividend during that period has been claimed; and (2) upon the expiry of the twelve-year period, the Company shall give a notice stating its intention to sell the shares by way of an announcement published in a newspaper and shall notify Hong Kong Stock Exchange of such intention.

Article 160 Where a company distributes its after-tax profits of the current year, it shall allocate 10% of the profits as the Company's statutory common reserve. The Company may make no more allocation should the accumulative balance of the Company's statutory common reserve account for more than 50% of the Company's registered capital.

Should the accumulative balance of the Company's statutory common reserve be insufficient to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up such losses before the statutory common reserve is allocated according to the provisions of the preceding paragraph.

After the Company has allocated the statutory common reserve from the after-tax profits, it may allocate a discretionary common reserve from the after-tax profits, upon a resolution being made by the general meeting.

After the Company has made up for the losses and has allocated statutory common reserve, it shall distribute the remaining profits to the shareholders based on their shareholding ratios, except for distribution made not based on the shareholding ratios as provided herein these Articles of Association.

Should the general meeting distribute the profits to the shareholders before the losses has been made up and the statutory common reserves has been allocated, in violation of the provisions of the preceding paragraph, the profits thus distributed in violation of such provisions must be returned to the Company.

No profit shall be distributed in respect of the shares of the Company being held by the Company.

Article 161 The common capital reserve shall include the following funds:

- (1) the premiums obtained from the issue of shares in excess of the par;
- (2) such other revenue required to be included in the capital common reserve by the State Council's competent department in charge of finance.

Article 162 The Company may adopt one of the following forms in distributing dividends:

- (1) cash; and
- (2) share;

Article 163 The Company shall appoint a receiving agent for holders of overseas listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas listed foreign shares. The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) of such listing, or the relevant provisions of the stock exchange(s) of such listing. The receiving agent appointed by the Company in respect of H Shares listed on the Hong Kong Stock Exchange shall be a trust company registered pursuant to the Trustee Ordinance of Hong Kong.

The Company has the right to cease delivering such dividend warrants by post to holders of overseas-listed foreign shares, provided that such power shall not be exercised until and such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may also be exercised by the Company should such warrant be undelivered and returned for the first attempt of delivery.

In the event of exercising the right to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms, without any reasonable doubts, that the original warrants have been destroyed.

The Company has the right to sell the shares of a holder of the overseas listed foreign shares where such holder cannot be contacted in such manner deemed to be appropriate by the Board but the Company must observe the following conditions:

- (1) during a period of twelve years, there have been at least three distribution of such dividends in respect of the shares in question and no dividend during that period has been claimed;
- (2) upon the expiry of the twelve-year period, the Company shall give a notice stating its intention to sell the shares by way of an announcement published in one or more newspaper in the place where the Company is listed and shall notify the stock exchange(s) of such listing of such shares of such intention.

CHAPTER 17 APPOINTMENT OF AN ACCOUNTING FIRM

Article 164 The Company shall engage an independent accounting firm that complies with the relevant provisions of the State to audit the annual financial reports and other financial reports of the Company.

The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. The appointment period of such accounting firm shall end upon the conclusion of the first annual general meeting.

Should the Company's inaugural meeting fail to exercise its functions and power under the preceding paragraph, the Board shall exercise such functions and power.

Article 165 The term of engagement of an accounting firm engaged by the Company shall commence from the conclusion of the current annual general meeting to and until the conclusion of the next annual general meeting.

Article 166 An accounting firm engaged by the Company shall be entitled to the following rights:

- (1) the right of access, at any time, to the account books, records or vouchers of the Company and the right to require directors, general manager or other members of senior management of the Company to provide the relevant information and explanation;
- (2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanation necessary for the accounting firm to perform its duties;
- (3) the right to attend general meetings, receive a notice or other information concerning any meetings which all shareholders have a right to receive, and to be heard at any general meetings on any matter which is related to it as the accounting firm of the Company.

Article 167 If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is convened. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Article 168 Notwithstanding anything in the contract between the accounting firm and the Company, the general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of appointment. Such accounting firm's right to claim damages from the Company in respect of such dismissal shall not be affected thereby.

Article 169 The amount of remuneration of an accounting firm or the manner in which the remuneration is determined shall be decided upon by the general meeting. The amount of remuneration of the accounting firm appointed by the Board shall be decided by the Board.

Article 170 The appointment, dismissal or no re-appointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the CSRC for the filing and record.

Where it is intended to pass a resolution at a general meeting to appoint an accounting firm which is not holding a currency position to fill any vacancy of the position of the accounting firm, or to re-appoint an accounting firm appointed by the Board to fill any vacancy of the position, or to dismiss an accounting firm before the expiry of its term of appointment, such matters shall be handled pursuant to the following provisions:

- (1) Before dispatch of the general meeting notice, the proposal on the appointment or dismissal is delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant fiscal year. Leaving office shall include the dismissal, resignation and retirement for an accounting firm;
- (2) If the accounting firm to leave its office makes any statement in writing and requires the statement to be informed to shareholders by the Company, unless being too late for the receipt of such statement, the Company shall take the following measures:
 1. Making instructions on the notice to the resolution that the leaving accounting firm has made such a statement;
 2. Copies of such a statement as the annex to the notice shall be sent to shareholders in such manner set forth in the Articles of Association.
- (3) If the Company fails to deliver such statement made by the relevant accounting firm in accordance with the provisions in paragraph (2) of this article, the accounting firm concerned may require the statement to be read out at the general meeting and make further complaints.
- (4) The accounting firm to leave office is entitled to attend the following meetings:
 1. the general meeting at which its term of office shall expire;
 2. the general meeting at which the corresponding vacancy caused by its dismissal shall be filled;

3. the general meeting convened for the resignation that it takes initiative to render;

The accounting firm to leave office is entitled to receive all notices or other information related to the foregoing meetings, and to speak at the foregoing meetings regarding such matters related to it as the former accounting firm of the Company.

Article 171 Where the Company dismisses or no longer reappoint an accounting firm, it shall notify the accounting firm in advance. The accounting firm is entitled to present its views to the general meeting. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

Article 172 The accounting firm may resign from its position by placing the resignation notice in writing at the legal address of the Company. Such notice shall take effect since the date on which it is placed at the legal address of the Company or a later date as specified in the notice. The notice shall include one of the following statements:

- (1) in its opinions that its resignation does not involve any statement that should be made to shareholders or creditors of the Company;
- (2) any other such occasions that shall be presented.

Within 14 days upon the receipt of such notice in writing as referred to above, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains such statements as mentioned in item (2) above, the Company shall prepare and place copies of such statements at the Company for inspection by shareholders. The Company shall also deliver duplicates of such foregoing statements by postage prepaid mail to each holder of overseas-listed foreign shares at the recipient's address registered in the shareholders register.

If the accounting firm's resignation notice contains any statement referred to in item(2) above, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

CHAPTER 18 MERGER AND DIVISION OF THE COMPANY

Article 173 The merger or division of the Company shall require the proposal put forward by the Board. After such proposal has been passed in accordance with the procedures specified in the Articles of Association of the Company, the relevant examination and approval procedures regarding such proposal shall be carried out according to laws. Shareholders that object to such proposal on the merger or division of the Company shall have the right to require the Company or shareholders who are in favor of such proposal on merger or division of the Company to purchase their shares at a fair price.

The contents of such resolutions approving the merger or division of the Company shall be compiled into a special document for inspection by shareholders. For holders of overseas-listed foreign shares, the foregoing documents shall be served by post or in a manner permitted by the relevant laws, regulations or listing rules of the place(s) where the shares of the Company are listed.

Article 174 The merger of a company may be effected by way of a merger or a new consolidation.

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheets and checklists of properties. The companies involved shall notify creditors within ten days of the date of the Company's resolution on merger, and shall publish a notice in a newspaper within 30 days. Creditors is entitled to, within 30 days of receiving the notice or, in the case of a creditor who does not receive the notice, within 45 days from the date of public notice, demand the Company to repay its debts or provide a corresponding guarantee for such debt.

In the case of a merger, the respective creditors' rights and debts of all parties thereto the merger shall be inherited by the existing company, or the newly established company upon the merger.

Article 175 As for the division of a company, the properties thereof shall be divided accordingly.

As for a division, both parties to the division shall enter into an agreement of division with each other and prepare the balance sheets and checklists of properties. The companies involved shall notify creditors within ten days of the date of the Company's resolution on division, and shall publish a notice in a newspaper within 30 days.

Debts owed by the Company prior to the division shall be assumed by the companies upon the division according to the agreement entered into.

Article 176 Where any of the registered items is changed due to a merger or division of a company, the Company shall process the changes of registration with the company registration authority. Should the Company be dissolved, it shall be de-registered according to laws. If a new company is established, it shall go through the registration for company establishment according to laws.

CHAPTER 19 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 177 The Company shall be dissolved and liquidated pursuant to laws should the Company be under any of the following circumstances:

- (1) The general meeting resolves to dissolve it;
- (2) It is necessary to be dissolved due to merger or division of the Company;
- (3) The Company is declared bankrupt according to laws for being unable to pay its due debts;
- (4) The Company's business license is revoked or the Company is ordered to close down or to be dissolved due to its violation of laws or administrative regulations;
- (5) The operation term of the Company expires;
- (6) The occurrence of other dissolution circumstances as stipulated in these Articles of Association;

- (7) In the event that the Company has encountered serious difficulties in operation and management and that the interests of the shareholders of the Company are caused to suffer from substantial loss due to the continuing existence of the Company while such issue cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company may file an application with the people's court to dissolve the Company pursuant to laws.

Article 178 Where the Company is dissolved due to the provisions set forth in items(1) and (5) above, the liquidation committee shall be established within 15 days and the personnel of the liquidation committee shall be determined by a Shareholders' general meeting by means of ordinary resolution. Where the liquidation committee is not set up within the stipulated period of time above, creditors may request the people's court to designate relevant personnel to form a liquidation committee and conduct the liquidation.

In the event that the Company is dissolved in accordance with the provisions set forth in item (3) above, the people's court shall organize Shareholders, related agencies and professionals to form a liquidation committee to conduct the liquidation according to requirements of relevant laws.

In the event that our Company is dissolved in accordance with the provisions set forth in item (4) above, the competent authority shall organize Shareholders, relevant agencies and professionals to establish a liquidation committee and conduct the liquidation.

Article 179 If the Board decides that the Company shall be liquidated (except for such liquidation as a result of the Company's declared bankruptcy), the notice of the general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay off its debts in full within twelve months after the liquidation has commenced.

The functions and powers of the Board shall terminate immediately after the general meeting has passed the resolution regarding the carrying out of liquidation.

The liquidation team shall take instructions from the general meeting and shall report to the general meeting on the liquidation team's income and expenditure, the business of the Company and the progress of the liquidation at least once per year. It shall make a final report to the general meeting upon the completion of such liquidation.

Article 180 The liquidation team shall, within ten days of its formation, notify the creditors, and shall, within sixty days, make a public announcement on newspaper. The liquidation team shall register the creditors' rights. Creditors shall, within thirty days of the receipt of the notice or within forty five days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

Article 181 The liquidation team shall exercise the following functions and power during the period of liquidation:

- (1) liquidating the properties of the Company, and preparing the balance sheets and asset checklists separately;
- (2) informing creditors by a notice or public announcement;
- (3) disposing of and liquidating the unfinished businesses of the Company;
- (4) clearing off the outstanding taxes;
- (5) clearing off credits and debts;
- (6) disposing of the residual properties after settling such debt;
- (7) participating in the civil litigation on behalf of the Company.

Article 182 After the liquidation team has liquidated the properties of the Company and has prepared the balance sheets and checklists of properties, it shall prepare a plan of liquidation, and report it to the general meeting or relevant competent authority for confirmation.

The remaining assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the class and proportion of shares held by the shareholders.

During the period of liquidation, the Company may not carry out any new business operation. Before the settlement of repayments as provided in the preceding article has been made, the Company's properties shall not be distributed to shareholders.

Article 183 In the event that the Company is liquidated due to dissolution, and should the liquidation team find that the properties of the Company is insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and checklists of properties, it shall immediately apply to the people's court to declare the Company's bankruptcy. Once the people's court declares the bankruptcy of the Company, the liquidation team shall hand over the liquidation matters to the people's court.

Article 184 Following the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, such committee shall submit the same to the general meeting or relevant competent authority for confirmation. And within thirty days from the date of said confirmation made by the general meeting or the relevant competent authority, the liquidation team shall submit the foregoing documents to the company registration authority to apply for the company de-registration, and to announce that the Company is terminated.

CHAPTER 20 PROCEDURES FOR AMENDING THESE ARTICLES OF ASSOCIATION

Article 185 The Company may amend these Articles of Association in accordance with the provisions of laws, administrative regulations and these Articles of Association.

Article 186 Amendment to the Articles of Association shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval. Should the registration of the Company be involved, the change to such registration shall be handled according to laws.

CHAPTER 21 NOTICE

Article 187 Notices, communications or other materials in writing of the Company, including but not limited to annual reports, interim reports, quarterly reports, notice of meetings, listing documents, shareholders' circulars, proxy forms and temporary announcements, may be served through means as follows:

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the relevant provisions of laws, administrative regulations and Listing Rules, post at the Company's website or such website designated by the Hong Kong Stock Exchange;
- (5) by public announcement in newspapers and other designated media;
- (6) other means as prescribed between the Company and the recipient or as confirmed means upon notice;
- (7) other means approved by the securities regulatory agency of the place(s) in which the shares of the Company are listed or as set out in these Articles of Association.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Unless otherwise required by these Articles of Association, if the notices to the holders of overseas-listed foreign shares are issued by way of announcement, any ready-to-publish electronic copy of such notices shall be submitted through HKEx-EPS to the HK Stock Exchange for publication on its website on the same day in accordance with the Listing Rules. The announcement shall meanwhile be published on the Company's website. In addition, such notices shall be served on each of the holders of the overseas-listed foreign shares by hand or by prepaid mail to their addresses as shown in the register of shareholders.

Unless the context otherwise requires, “announcement” referred to in these Articles of Association shall refer to if issued to domestic shareholders or within the PRC as required under relevant regulations and these Articles of Association, the announcement published in such Chinese newspapers as specified by the PRC laws and regulations or the securities regulatory agency under the State Council; and if issued to holders of H shares or in Hong Kong as required under the relevant provisions or these Articles of Association, the announcement being published in such Hong Kong newspapers as specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to the Hong Kong Stock Exchange shall be in English language, or accompanied by a certified English translation.

Notwithstanding the publication and notice manner of any notices, communications or other materials in writing otherwise required in these Articles of Association, under the premise of the Company’s compliance with the listing rules of the place(s) in which the shares of the Company are listed, the Company can post the notices, communications and other materials in writing in the manner as set forth in item (4) of the first paragraph herein, in lieu of delivery of writing documents to every holder of the overseas-listed foreign shares by hand or postage prepaid mail.

Article 188 Where relevant corporate documents must be in English accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the relevant requirements of the securities regulatory agency of the place(s) and the stock exchange(s) in which the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such communications of the Company in the English or Chinese version to relevant shareholders as they so wish, including but not limited to notices of general meetings, shareholders’ circulars, annual reports, interim reports and quarterly reports. Subject to observing the applicable laws, regulations and listing rules of the stock exchange(s) in which the shares of the Company are listed, the Company can also serve such contents to holders of overseas-listed foreign shares by posting them on the Company’s website.

Article 189 If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signature (or affixed seal) on the service return slip. If the notice is sent by post, the date of service is the fifth working day from the date of delivery at the post office. If the notice is made via facsimile, e-mail or website, the date of service is the date of transmission, which is based on the date shows on the fax report. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement, which will be published on newspapers and websites compliance with relevant requirements.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made. Where the Company issues notices to the holders of overseas-listed foreign shares in accordance with the Listing Rules, any ready-to-publish electronic copy of such notices shall be submitted through HKEx-EPS to the HK Stock Exchange for publication on its website.

CHAPTER 22 SETTLEMENT OF DISPUTES

Article 190 The Company shall comply with the following rules in settling disputes:

- (1) Whenever any disputes or claims arise from any rights or obligations as provided in these Articles of Association, the Company Law, Special Regulations and other relevant laws and administrative regulations between holders of foreign shares (including holders of overseas listed foreign shares and holders of non-listed foreign shares) and the Company, between holders of foreign shares (including holders of overseas listed foreign shares and holders of non-listed foreign shares) and directors or supervisors or the general manager or other senior management of the Company, and among holders of overseas-listed foreign shares and holders of non-listed foreign shares and holders of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are shareholders, directors, supervisors, general manager or other senior management of the Company or the Company, shall submit to arbitration.

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration;

- (2) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its Securities arbitration rules.

Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre;

- (3) The laws of the People Republic of China shall govern the arbitration of disputes or claims described in Item (1) above, unless otherwise provided by the law or administrative regulations;
- (4) The award of the arbitral body is final and shall be binding on the parties thereto;
- (5) The said arbitration agreement is reached between the directors or senior management and the Company, with the Company representing both itself and its shareholders;
- (6) Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award.

CHAPTER 23 SUPPLEMENTARY ARTICLES

Article 191 Definition

- (1) In these Articles of Association, “acting in concert” means the act of two or more people that in form of agreement (whether oral or written) have reached a consensus over achieving the purpose of controlling the Company or consolidating such control through takeover of the Company’s voting rights by any one of them;
- (2) A “de facto controller” means a person who, though not a shareholder, but through investment relationships, agreements, or other arrangements, may actually control the activities of the Company.

Article 192 Unless otherwise provided in the Articles of Association, notices, data or written statements delivered to H shareholders of the Company shall be sent to each shareholder at the registered address of each shareholder of H shares (including addresses outside Hong Kong) by courier or by mail, and notices to H shareholders shall be sent in Hong Kong as much as possible.

Article 193 The newspapers for issuing announcements mentioned in these Articles of Association shall be those specified or required by the relevant laws, administrative regulations of PRC.

Article 194 For the purpose of these Articles of Association, references to the “accounting firm” shall bear the same meaning as the “auditor” referred to the Listing Rules.

Article 195 The right of interpretation of these Articles of Association shall be vested in the Board. Any matters unspecified in these Articles of Association shall be submitted by the Board to shareholders at the Shareholders’ Meeting for approval.

Article 196 In these Articles of Association, the terms “not less than”, “within” and “not more than” shall include the given figure, and the terms “not more than” and “beyond” shall not include the given figure.

Article 197 In case of any contradiction of these Articles of Association with any laws, administrative regulations, other relevant normative documents and listing rules of the stock change(s) on which the shares of the Company are listed, those laws, administrative regulations, other relevant normative documents and listing rules of the stock change(s) on which the shares of the Company are listed shall prevail.

Article 198 These Articles of Association are in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the competent administration for industry and commerce shall prevail.